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HOUSE OF COMMONS

Tuesday, December 21, 1976

The House met at 2 p.m.

[*English*]

THE LATE RÉAL CAOUETTE

MINUTE OF SILENCE TO HONOUR MEMORY

Mr. Speaker: Order. Hon. members are aware that the funeral of the late Réal Caouette is taking place at this very moment in Rouyn. It is a fitting tribute to this man's memory and to his many friends and relatives to whom our sympathies have already been extended that such a great contingent from this House has gone to attend the funeral this afternoon, including the Prime Minister (Mr. Trudeau), the Leader of the Opposition (Mr. Clark), the leader of the New Democratic Party (Mr. Broadbent), and of course the entire Social Credit caucus. Since the funeral is taking place at this very moment, I ask hon. members to join with me in observing one minute's silence.

[*Editor's note: The House stood in silent tribute.*]

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

REQUEST FOR STATEMENT BY PRESIDENT OF TREASURY BOARD ON PERFORMANCE OF ECONOMY—MOTION UNDER S.O. 43

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. As the President of the Treasury Board (Mr. Andras) has remarked that Canada's financial performance during the past four years has been nothing short of remarkable, yet we find the prestigious independent Credit Swiss in their Canadian financial letter stating that Canada's rating as a place for investment has suffered due to the growth of the public sector at the expense of the private sector, the excessive and erratic taxation of corporations, and the productivity-hampering profit controls which have been wilfully introduced into the Canadian investment picture by Ottawa, I move, seconded by the hon. member for Hochelaga (Mr. Lavoie):

That this House request the President of the Treasury Board to make a statement on motions setting forth why he feels our performance has been nothing short of remarkable in view of contrary views being held by independent world observers such as Credit Swiss.

Mr. Speaker: I have some considerable misgiving about this kind of motion being moved pursuant to Standing Order 43. I have indicated that such a motion ought to set out the reason for the motion and that members should stay away from controversial motions that are subject to debate. I will put the motion to the House pursuant to Standing Order 43, but I think hon. members should stay away from this kind of preamble in future. Pursuant to Standing Order 43 the motion cannot be presented to the House without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST TO SPECIFY DATE OF APPLICATION OF PROVISION OF BILL C-69—MOTION UNDER S.O. 43

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

The Minister of Manpower and Immigration said, concerning the case of Mr. Charles Dubé and of many other citizens involved in an awkward situation as a result of section 7 of Bill C-69 amending subsection 25 (b), which according to a letter from the minister's office came into effect on July 4, 1976, that after some inquiries this piece of legislation would have been effective in fact since January 4, 1976. Because of the misunderstanding about the date of implementation of the act, I move, supported by the hon. member for Hamilton West (Mr. Alexander):

That the Minister inform the House as soon as possible in order to clarify the situation so that the Canadian people involved in this matter do not fall victims of a misinterpretation on the date of implementation of the act, for which the civil servants concerned cannot be blamed.

Mr. Speaker: Order, please. The House has heard the terms of the hon. member's motion. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

Tax Cuts

● (1410)

[*English*]

THE CANADIAN ECONOMY

REQUEST FOR TABLING OF ALL FORECASTS AND ANALYSES FOR 1977—MOTION UNDER S.O. 43

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise under the provisions of Standing Order 43. The urgent and pressing nature of this motion concerns itself with the unacceptable silence of the government regarding its available economic forecasts related to unemployment, job creation, real growth and inflation for the year 1977 during a period when such respected bodies as the Organization for Economic Co-operation and Development, the University of Toronto's Institute for Policy Analysis and the Conference Board of Canada in general forecast for 1977, 8 per cent unemployment, 3 per cent real growth, higher inflation and the real possibility of a recession.

In light of the above and the desire of most Canadians to remove this veil of secrecy in order to have some indication of what the economic climate of this country will be in 1977, I move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

That this House urge the Minister of Finance to table without further delay all economic analysis and forecasts for the year 1977 which deal with unemployment, job creation, real growth and inflation.

Mr. Speaker: Is there unanimous consent to the presentation of such a motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

SUGGESTED TAX CUTS FOR LOWER AND MIDDLE INCOME GROUPS—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask the unanimous consent of the House to deal with a matter of urgent and pressing necessity.

In view of the fact that every major economic forecaster in Canada, including the Conference Board, is predicting even higher levels of unemployment in the coming year, I move, seconded by the hon. member for the Northwest Territories (Mr. Firth):

That this House urge the government to bring in a budget when the House reconvenes in the next year with tax cuts for the middle and lower income groups which will stimulate weak consumer demand, eliminate excess capacity in our industry and create needed jobs without inflating the economy.

Mr. Speaker: Such a motion under Standing Order 43 cannot be presented to the House without the unanimous consent of the House. Is there unanimous consent?

[Mr. Speaker.]

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AUDITOR GENERAL

GUIDELINES FOR AUDITING BOOKS OF UNITED DEVELOPMENT INCORPORATED OF ISRAEL—MOTION UNDER S.O. 43

Mr. Rod Blaker (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43, and I have some reason to believe there will be unanimous consent to this motion as a result of some considerations and deliberations during the lunch hour.

Whereas the Standing Committee on Public Accounts has been made aware of the terms which the Auditor General has set in order that he might accept an invitation by United Development Incorporated of Tel Aviv, Israel, to carry out an audit of that company's books as they relate to the Atomic Energy of Canada sale of a CANDU reactor to South Korea; and whereas the Auditor General has expressed the concern that his mandate to parliament might obligate him to disclose information related to the business of United Development Incorporated which goes beyond the transactions of United Development Incorporated vis-à-vis Atomic Energy of Canada Limited; and whereas it is in the interests of the Public Accounts Committee and of the House of Commons and of the people of Canada that the Auditor General does accept the said invitation and report thereon to the committee, I move, seconded by the hon. member for Provencher (Mr. Epp):

That this House advise the Auditor General of Canada of it's desire that he accept the invitation of United Development Incorporated to audit the books of that company in Israel, and that this House further advise the Auditor General that his report thereon be restricted to those matters which relate to Atomic Energy of Canada Limited transaction and involve no matters related to the other business affairs of United Development Incorporated.

Mr. Speaker: The motion pursuant to Standing Order 43 can only be presented for debate at this time with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we did not deny the unanimity required to permit the hon. member to present this motion, but there are a few words about it which I would like to say. We understand the stated purpose of the motion, namely, that the Auditor General have our approval when he comes back from Tel Aviv not to disclose matters which might come before his eyes other than those related to the transaction between Atomic Energy of Canada Limited and the purchasers of CANDU reactors through Mr. Eisenberg. However, the phrase at the end of the motion bothers us. I refer to the phrase which says that these inquiries by the Auditor General shall involve no matters

related to the other business affairs of United Development Incorporated.

If such other business affairs are dealings between Mr. Eisenberg and other countries around the world, we are prepared to say that that is not the business of our Auditor General, but what would be the case if Mr. Macdonell, in surveying Mr. Eisenberg's books, finds that there are other business affairs between Mr. Eisenberg's company and the Government of Canada or other agencies of the Government of Canada? It seems to me that for us to pass a motion at this time which would keep those matters secret would not be in keeping with the purposes of this inquiry.

The hon. member for Lachine-Lakeshore (Mr. Blaker) discussed his proposed motion with me before we met at two o'clock, and I indicated that we would not deny unanimity for the purpose of presenting the motion, but I also indicated to him that I was concerned about the point which I have just now made, and the more I have thought about it and the more I have discussed it with my friends, the more strongly I feel that we should not be passing such a blanket motion of secrecy. I realize that the purpose of the motion is to facilitate the going of the Auditor General to Israel to get all the information he can about the deals involving Atomic Energy of Canada Limited, but to repeat my question, if he finds that Mr. Eisenberg has been involved with the Government of Canada in other respects or with other agencies of the Government of Canada, it seems to me that we should not tie the Auditor General's hands with respect to the disclosing of that other information.

We would be happier, or less unhappy, with the motion if a few words were added to it. I therefore wish to propose an amendment which will add words to the motion before the House, and I hope the mover and the House generally will accept these additional words. I therefore move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

● (1420)

That the motion be amended by adding at the end thereof the following words: "unless such other business affairs are between United Development Incorporated and the government of Canada or any agency thereof."

If that amendment is added, then the House of Commons is saying to the Auditor General, "Do not tell us about Mr. Eisenberg's affairs with other countries around the world but if you find on going into his books that there are other matters involving Canada or other agencies of the government of Canada we do not want to restrict you from bringing that information back to us."

I hope that the mover will accept my amendment and if he does, that the House will do likewise. Otherwise, I am afraid that although we were prepared to let the motion be presented to the House, we could not support it in its original form.

Mr. Speaker: The hon. member for Lachine-Lakeshore (Mr. Blaker).

Mr. Blaker: Mr. Speaker—

Some hon. Members: Oh, oh!

Auditor General

Mr. Speaker: Order, please. Pursuant to the Standing Orders of the House I should indicate that in putting this motion the hon. member for Lachine-Lakeshore has in fact spoken. Some hon. members are indicating that if he speaks now he will close the debate. May I remind them that discussion is now on the amendment put by the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Blaker: Mr. Speaker, I want to respond briefly to the comments made by the hon. member for Winnipeg North Centre (Mr. Knowles). Prior to doing so, I want to say that as he was speaking there seemed to be general indication of agreement to the amendment he put. As the mover of the main motion I would also agree. We are receiving the greatest co-operation from Mr. Eisenberg and his company, United Development Incorporated, in Israel and I am sure all members would agree that we hope the amendment would not cause Mr. Eisenberg to finally withdraw the invitation. He has shown the greatest co-operation and has asked for some lessening of the massive publicity surrounding his private business. So be it, and the risk will be ours if as a result of this amendment we cannot get his agreement on this.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Speaker: The question is upon the amendment. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion (Mr. Knowles, (Winnipeg North Centre)) agreed to.

Mr. Speaker: The question is therefore upon the motion as amended. Is it the pleasure of the House to adopt the motion as amended?

Some hon. Members: Agreed.

Motion, as amended, agreed to.

Mr. Speaker: Oral questions.

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

Mr. Speaker: The hon. member for Saskatoon-Biggar on a point of order.

Mr. Hnatyshyn: Mr. Speaker, I rise on this preliminary point of order in view of the unusual circumstances today which result from the vote on the Standing Order 43 motion. I believe when this matter was previously discussed Your Honour indicated that if there were debate or a division on a Standing Order 43 motion, the business of the House would be interrupted at 2.15 p.m. in order that the question period could proceed without being affected by any debate on such a motion. I wonder if Your Honour would be inclined to indicate if we would have the full period of time for question period available to us or, as an alternative, everyone would simply agree we have the full three-quarters of an hour for the question period today in view of the unusual circumstances.

Mr. Speaker: Order, please. I recognized the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) because of the obvious nature of the point of order involved. I think it would be very dangerous for the Chair to rule that the question period ought to continue and the time ought to be made up. It would seem to me to be unfair to use Standing Order 43 in a way that might cause us great concern in the future. The time is really not that great. Perhaps under the circumstances, however, and with the opportunity to consider this problem further and time to clarify it in discussion in future, the House might now give its unanimous consent that the question period will continue until ten minutes past three this afternoon. Is that understood?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ALLEGATION CANADA'S RATING AS PLACE FOR INVESTMENT HAS FALLEN—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. With the shocking prospect that within one year there may be over 800,000 people out of work, as predicted by the Conference Board of Canada yesterday, and with business investment estimated to drop 1.5 per cent this year and slump by another 2.5 per cent next year, would the minister, responsible as he is for industry, trade and commerce, indicate if it is likely that we are faced with such a low level of investment, and does he agree in part with the current, scathing Credit Swiss financial letter which states that Canada's rating as a place for investment has suffered, owing in part to the imposition of our productivity hampering wage and price control program and arbitrary bureaucratic procedures at Ottawa?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): No, Mr. Speaker, I do not agree with this statement made by somebody who lives in Switzerland.

[*English*]

ALLEGATIONS OF CREDIT SWISS CONCERNING REASONS FOR UNEMPLOYMENT—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): A supplementary question, Mr. Speaker. As the President of the Treasury Board has commented that our financial performance during the past four years has been nothing short of remarkable, would the minister indicate if his department or any department of government has undertaken any study to determine if we are in fact doing so well; and if we are, why have we had a higher unemployment level in this country, on average 622,000 people out of work, than any of the countries referred to by the President of the Treasury Board; also, does the minister agree with Credit Swiss that our " . . . all-too-high unemployment in the country is 'structural', the heritage of years of ill-conceived policies that produced huge budget deficits . . ."?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not agree with that judgment.

IMPACT OF INTEREST RATES—POSSIBILITY OF LOWERING

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, may I direct a final supplementary question to the Minister of Industry, Trade and Commerce? As high interest rates in Canada, three to four points higher than in the United States, have become an impediment to business development and an unreasonable burden for our homeowners and consumers, would the minister indicate if his department has reviewed the adverse impact of such high interest rates on our economy and, based on that review, has he made any representations to the Minister of Finance concerning the desirability of lower interest rates in Canada?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, the government monetary policy is drafted by the Minister of Finance, not by the Minister of Industry, Trade and Commerce.

[*English*]

FORECASTS FOR REAL GROWTH AND UNEMPLOYMENT—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct a supplementary question to the Minister of Industry, Trade and Commerce? Given that the University of Toronto Institute for Policy Analyses forecasts continued sluggish growth and even higher unemployment, that the Organization for Economic Co-operation and Development warns that this country faces a mini-recession and that the Conference Board of Canada is concerned about the Canadian economy going into a stall which would result in 3 per cent of real growth and an unemployment rate of 8.3 per cent by the end of next year, does the minister accept these serious conclusions? If not, does he have available at this time any analyses and forecasts to refute these most serious conclusions?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, of course the government is always concerned about the economic situation of our country and that is why we have recently announced measures to reduce unemployment. We are really concerned about the present situation, but I do not think we are going towards a recession, even if the percentage of our growth rate for 1977 will not necessarily be higher than this year's.

[*English*]

REASON FOR REFUSING TO REVEAL ANALYSES AND FORECASTS FOR 1977

Mr. Lincoln M. Alexander (Hamilton West): A supplementary question, Mr. Speaker. The important part of my question was whether the government had any analyses of economic forecasts upon which it bases its position? I ask this since the Minister of Manpower and Immigration on November 22, when replying to a question I asked, said in part, as reported on page 1221 of *Hansard:*

I would say to the hon. member that obviously we have forecast information on which we base our judgments, but I think it would be inappropriate to put this up as a target for the opposition critics to shoot at.

Surely, such reasons for refusing to divulge analyses and economic forecasts are unacceptable. Therefore, why will not the minister or some other minister of the government reveal, for the benefit and edification of the Canadian people, analyses and economic forecasts pertaining to the year 1977? I am not prepared to accept the stupid reason given by the Minister of Manpower and Immigration. Surely the Minister of Industry, Trade and Commerce would be prepared to answer the question, because the people of Canada need to know what the situation is to be in 1977.

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not have much to add to the remarks of the hon. member, but I would advise him to read the last budget speech. It includes all the government economic data established by the Minister of Finance. When we will be proposing the next budget, the hon. member will once again be in a position to treat himself to statistics.

● (1430)

[*English*]

UNEMPLOYMENT—GOVERNMENT'S VIEW OF IMPORTANCE OF PROBLEM

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Acting Prime Minister. In view of the Conference Board's forecast on the economy which predicts even higher unemployment levels next year, is the government now prepared to admit that unemployment is Canada's number one problem and that it can be tackled without inflating the economy, as has been pointed out by the Conference Board?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I have nothing to add to the policy statements that have been made by the Minister of Finance on the subject of unemployment and inflation. The Minister of Finance has already indicated the priorities of the government in this field. It is not my intention to change them today.

POSSIBILITY OF REDUCTION OF TAX FOR LOWER AND MIDDLE INCOME GROUP TO STIMULATE CONSUMER DEMAND

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I wish to direct a question to the Acting Minister of Finance. In view of the fact that we have legislation before us now which will reduce the tax load only for people in higher tax brackets, and in view of the fact that a reduction of the tax load in lower and middle tax brackets would have a far greater effect in stimulating consumer demand to take up the slack in the economy, will the acting minister tell the House if he is prepared to take this step and, if not, what action will he take to stimulate consumer demand?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the budget measures that are now before the House have been before the House for a long time. I hope hon. members will shortly be putting them into law. As for a future budget, the Minister of Finance has already indicated a new budget will be forthcoming which will take into consideration many or all of the matters raised by hon. members in the question period.

Some hon. Members: When?

Mr. Kaplan: As to when, it will be in the first six months of next year.

Some hon. Members: Oh, oh!

* * *

HOUSING

POSSIBILITY OF MEASURES TO STIMULATE CONSTRUCTION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my final supplementary is to the Acting Minister of State for Urban Affairs, if there is an acting minister. In view of the Conference Board's prediction that housing starts will be down some 30,000 units in the coming year, has the minister in charge of housing any new initiatives he will be presenting to the House early in the new year to take up this slack in housing production?

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, we all know that housing starts for 1976 were above what we expected them to be. We set a quota of one million starts in four years. We are better than half way through that mandate and we think we can continue with it. We are confident at this stage that we have more or less surpassed our commitment. We have every confidence that next year there will be at least 235,000 starts.

* * *

REGIONAL ECONOMIC EXPANSION

MEASURES TO ENSURE THAT OBJECTIVE OF GRANTS NOT DEFEATED

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Inasmuch as a number of plants in receipt of grants under the Regional Development Incentives Act are experiencing serious

difficulty due to the deteriorating economic situation, an example of which was experienced in Pembroke with the recent closing of Homco Mobile Homes with a consequent loss of 120 jobs or layoffs at Storewall International, both firms having received over three quarters of a million dollars in RDIA grants, what action is the minister or his department taking to ensure that the reason for which the grants were made, that of job creation, will not in fact be defeated?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, it is most unfortunate that some of these industries which were granted support from our department are being faced with problems and that some of them are compelled to end their operations. However I can assure the House and the hon. member that whenever our department is informed of such situations, which is virtually always the case, it does contribute to seek solutions to the extent that the law enables it to do so. Whenever possible, we have provided technical and advisory means to get them financial assistance other than the one granted by our department.

Unfortunately, I must confess that there are limits to our possibilities and that sometimes there is no other alternative. We must accept therefore that these industries close their doors and give up their operations. But I shall remind the House that we are fully aware of those problems and that we are considering the reasons for such situations. We will attempt in the future to bring corrections when it is in our power to do so.

[*English*]

REQUEST FOR STATEMENT ON ACTION TO CREATE EMPLOYMENT OPPORTUNITIES

Mr. David MacDonald (Egmont): In view of the considerable concern there is with regard to the need for long term job creation and the problems the minister and I both alluded to, and in view of the decreasing level of funding provided under RDIA for long term job creation as compared to the overall budget for DREE, will the minister make a brief statement today or, if that is not possible, make a statement shortly in this House indicating what steps are being taken to stimulate greater employment possibilities, particularly in those regions where the department has prime responsibility and where the unemployment situation is the most acute?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, we are in fact undertaking an advertizing program to promote certain activities for small and medium businesses in the designated areas. This program was launched a few weeks ago and will go on during the next weeks and months.

In addition, we are looking for other solutions and, as the hon. member said, I hope to be able, very early at the beginning of next year, to make a statement which would allow us to change our programs and thus, perhaps, meet some of the concerns expressed by the hon. member.

[Mr. MacDonald (Egmont).]

[*English*]

CONSULTATION WITH PROVINCES ON MEASURES TO CREATE JOBS

Mr. David MacDonald (Egmont): Mr. Speaker, I am grateful for the minister's offer to make a statement in view of changes that may be made. In view of the fact there are a number of programs operating under federal departments as well as a number of provincial government departments, some of which are still somewhat in conflict with each other, and the need for these programs to harmonize in order to achieve maximum effectiveness in job creation, can the minister now say, before such a statement, that there will be a meeting convened of responsible ministers in the provinces in order to get maximum agreement with them and coordinate most effectively changes that will be made in order to make up the loss of jobs presently occurring in the plants I described or others that may be in jeopardy?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): As a matter of fact, Mr. Speaker, I am currently taking part in this series of meetings which are called for under our agreements with the provincial governments. At these annual meetings—I had one last week and shall have another one next week with another provincial government—I review the programs which are already in place, including our assistance program to the industry, trying to make the necessary improvements.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

GROUNDING OF TANKER "ARGO MERCHANT"—POSSIBILITY OF POLLUTION OF CANADIAN SHORELINE

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I have a question for the Minister of the Environment. It relates to the grounding last Wednesday of the oil tanker *Argo Merchant* off Cape Cod, Massachusetts, at the west end of Georges Bank, which vessel at nine o'clock this morning broke in half and which vessel has already spilled over one and a half million gallons of crude out of a total cargo of 7.6 million gallons. Will the minister advise us of the potential pollution to Canadian coastal shoreline and waters, particularly having regard to our claim to jurisdiction over the Georges Bank area?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, if the quantity of oil is as large as has been indicated, it is obviously a very major spill. At the moment the wind is not blowing inland, but it is impossible to predict what will happen to the oil slick because of storm conditions. Our officials are meeting this afternoon in Halifax. We have kept in very close communication with the United States officials. As far as the damage to the fishery is concerned, there would obviously be damage if the oil slick were to move into our traditional fishing grounds.

AVAILABILITY OF CANADIAN EXPERTISE TO UNITED STATES COASTGUARD

Mr. Bill Jarvis (Perth-Wilmot): In view of the fact that Mr. Russell Train, the administrator of the United States Environmental Protection Agency, describes the spill as a potential catastrophe of major proportions, is a Canadian team on site now and, in view of our experience resulting from the *Arrow* disaster of a few years ago, have we made our expertise, our personnel and equipment available to the U.S. coastguard oil strike unit?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, there has been close communication between our officials and the United States officials since the very beginning of the accident. The offer of assistance has been made.

DEPARTMENT'S ATTITUDE TOWARDS CONSTRUCTION OF PIPELINE FROM KITIMAT, BRITISH COLUMBIA TO ALBERTA

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a supplementary question for the Minister of the Environment arising out of this unfortunate tragedy. Will the minister advise the House what position the Department of the Environment is taking with regard to the application of the consortium that wishes to build an oil pipeline commencing at Kitimat on the British Columbia west coast and through to the province of Alberta?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, we have indicated to the National Energy Board, as it is our duty to do, that all the environmental assessments we have will be at their disposal. I might say I view that situation with considerable skepticism.

● (1440)

ENVIRONMENTAL STUDIES OF CONSEQUENCES OF OIL TANKERS OPERATING NEAR KITIMAT, BRITISH COLUMBIA

Mr. John A. Fraser (Vancouver South): Can the minister tell the House whether a full environmental study has been carried out with regard to the possible consequences of oil tankers entering the dangerous waters opposite Kitimat? If such a study has been conducted, is the minister prepared to make the results public?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): No full environmental study has been done yet.

* * *

SUPPLY AND SERVICES

REQUEST THAT CHEQUES BE DELIVERED TO VETERINARIANS BEFORE END OF YEAR

Mr. C. Douglas (Bruce-Grey): Mr. Speaker, my question is directed to the Minister of Supply and Services and it has to do with cheques promised to veterinarians of the Health of Animals Branch. It appears some of these cheques have been delivered but that others have not. Is the minister aware of the consequences which late delivery will mean to members of this group in the context of their income tax returns? I understand that some of the cheques may not be delivered until January 3 or January 6. Will every effort be made by the department to ensure that all the veterinarians affected by the agreement will receive the promised remuneration in the 1976 tax year—either have them postmarked prior to midnight, December 31, 1976, or delivered prior to December 31?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Following consultations with the Minister of Agriculture and the Minister of National Health and Welfare, Mr. Speaker, we have decided to send veterinarians their cheques for up to $1,000 before Christmas or by December 31, 1976 at the latest.

* * *

[*English*]

EXTERNAL AFFAIRS

REQUEST FOR REPORT ON DEATH OF ANNA AQUASH IN UNITED STATES—POSSIBILITY OF COMPENSATION FOR CHILDREN

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I should like to address my question to the Secretary of State for External Affairs. It has reference to the mysterious death of Anna Mae Aquash in the United States. I first raised this question on May 14 and again on November 15. Does the minister have anything more to report on this matter? Further, will the children be receiving any compensation?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): I have some information which has been conveyed to us by the United States authorities. I was planning to reply to the hon. member's letter to me on the same subject of December 16. The documentation provided by the United States conveys information from the FBI on its investigation into the death of the woman in question. I can make it available to the hon. member and would be prepared to table it. However, we have just received it and I do not have a French translation. I would be glad to let the hon. member see it, and perhaps table it subsequently with the agreement of the House.

Mr. Firth: Thank you, Mr. Speaker. The minister did not answer the second part of the question. Will the children be receiving compensation of any kind?

Mr. Jamieson: I apologize to the hon. member. In looking over this document, which is to the best of my knowledge the only document received from the United States authorities, I find there is no reference to compensation. But I shall be glad to make further inquiries and advise the hon. member.

Oral Questions

ELDORADO NUCLEAR LIMITED

APPLICATION FOR CONSTRUCTION OF REFINING PLANT IN ONTARIO—DATE OF APPROVAL

Mr. Allan Lawrence (Northumberland-Durham): A question to the Minister of Energy, Mines and Resources, Mr. Speaker. Has ministerial approval yet been given to the application by Eldorado Nuclear to build a new refining plant in Ontario?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): No, Mr. Speaker.

Mr. Lawrence: Would the minister indicate whether approval is expected, or can he give an undertaking that there will be an announcement concerning this matter prior to the House resuming in January?

Mr. Gillespie: I can give no such undertaking.

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CANADIAN NATIONAL RAILWAYS

DECISION TO CANCEL TWO TRAINS AND ONE FERRY IN NEWFOUNDLAND—ALLEGED BREACH OF AGREEMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Transport. Will there be any further lay-offs by Canadian National in Newfoundland following the announcement on Friday that they were cancelling two trains, and laying off two crews, which seems to fly in the face of the understanding reached between the CN, the government of Newfoundland and the unions that there would be a freeze of present services in the province pending the findings of a commission of inquiry?

Hon. Otto E. Lang (Minister of Transport): I am not aware of the terms of the agreement to which the hon. member refers but I will look into the matter. I do not at the moment know of any further plans by the CN.

Mr. McGrath: While the minister is checking with the CN, could he inquire into the rationale behind a further decision of the railway company to withdraw one of the ferries connecting Newfoundland to the mainland of Canada, leaving only one ship to provide that service during the off-tourist season?

Mr. Lang: I am advised that the rail car offerings expected can be handled by the remaining vessel and that an additional one is therefore not required.

* * *

NORTHERN CANADA POWER COMMISSION

COMPARABILITY OF COST OF ELECTRICITY IN NORTH WITH OTHER AREAS—POSSIBLE TRANSFER OF COMMISSION'S OPERATIONS TO PRIVATE SECTOR

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development. Can the minister tell us whether he has had an opportunity of reviewing the recommendations of the task force on electrical energy costs in the north and, in particular, does he accept the statement that power bills paid by domestic consumers are generally not out of line with those paid in higher cost areas elsewhere in Canada, particularly in view of the comment by the Mayor of Inuvik to the effect that monthly power bills in the north can often exceed mortgage payments on the home?

[Mr. Jamieson.]

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): I am reviewing that report now. I did not accept the recommendations of the report in total. I am looking for other options which will relieve the impact of power rates in the north. All those options are not in the report.

Mr. Neil: In the Speech from the Throne it was stated, and I quote, that "all federal programs will be reviewed to identify government activities which could be transferred to the private sector without reducing quality of service to the public." Has the government reviewed, or does it intend to review, the activities of the NCPC to determine whether some of its activities could be transferred to the public sector?

Mr. Allmand: That suggestion has not been made to us by the people in the north and is not under review.

* * *

AGRICULTURE

ALLEGED STATEMENT BY MINISTER UNDERWORLD INVOLVED IN MARKETING OF MEAT—REQUEST FOR CLARIFICATION

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is directed to the Minister of Agriculture. Would the minister give us whatever documentation he has to support the validity of the statement that the underworld is involved in the marketing of beef in Canada?

Hon. E. F. Whelan (Minister of Agriculture): I think the hon. member should go by the record. If the hon. member would refer to the tape I made at Edmonton and to the press comments afterward, he would find that a question was put to me by a number of farmers. What I said afterward would clear up any misconception the hon. member may have. I was referring to a crime investigation being carried on in the province of Quebec, and that evidence is available to anyone.

* * *

[*Translation*]

AIRPORT

PROPOSED CONSTRUCTION OF FACILITIES IN NORTHWEST NEW BRUNSWICK—GOVERNMENT POSITION

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I should like to ask the Minister of Transport what is becoming my traditional question of the end of the year, in the hope that

he breaks up with tradition, and inquire when the airport construction in northwest New Brunswick will be announced. Or will he have to wait for a separation threat from the republic of Madawaska to get things moving?

[*English*]

Hon. Otto E. Lang (Minister of Transport): No, Mr. Speaker. I think the hon. member has done enough already and that no further action on his part is needed. I am happy to say that we are making positive progress and we will soon have a time schedule for him.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

PENITENTIARIES

REQUEST THAT INMATES WHO TESTIFY BEFORE COMMITTEE BE PROTECTED FROM ILL TREATMENT

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question is for the Solicitor General, to whom I was unable to give a copy of the letter in question, but I will do so as soon as I can.

Following the recent visit to Quebec penitentiaries, and in view of the fact that several inmates appearing before the committee mentioned they feared retaliation after their testimony, just before coming here I received a letter from an inmate advising me that one of the witnesses who had denounced some guards had indeed been thrown in the hole. Can the minister tell the House then whether he intends to find an early solution so as to prevent the ever increasing stress in that penitentiary before there is any row in there, and to protect the director, Mr. Goulem, who is also in a bad situation vis-à-vis these guards?

Hon. Francis Fox (Solicitor General): Mr. Speaker, of course I am looking forward to the report and recommendations to be submitted by the committee of which the hon. gentleman is a member.

As to the question of retaliation, I am not aware of the case the hon. member is referring to, and I am waiting for the letter with much impatience. It is obvious that I should like to tell him that no individual can be sent to solitary confinement unless he appeared before a disciplinary committee of the institution, and members of the committee are always appointed by the institution's director.

● (1450)

[*English*]

POLICY ON TRANSFERRING PRISONERS—ALLEGED REFUSAL OF AIR CANADA TO TRANSPORT PRISONER

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is also for the Solicitor General. On Monday of last week I asked him about policy on transferring dangerous prisoners between federal prisons in relation to delay of a certain commercial flight and the minister said he would look into it and get back to me. I should like to ask him again today, what is the government's policy on this important matter, and does he have the information he promised about the specific case?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I should like to answer as far as policy is concerned. Perhaps the hon. member could bring to my attention the specific case to which he is referring. In the matter of policy, I can say there has been no change in policy recently. I will go beyond that to say that our policy is to use commercial means of transportation, taking into account the security of the public, but in all cases of transfers of inmates the captain of the aircraft is consulted. On his refusal to accept inmates as passengers we use other means of transportation as available and convenient.

* * *

ENERGY

NATURAL GAS—RATE INCREASE IN NORTHERN BRITISH COLUMBIA—APPROVAL OF NATIONAL ENERGY BOARD

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources whether he is aware of an increase in natural gas prices in northern regions of British Columbia, particularly the town of Fort Nelson, amounting to 68 per cent, which results in an increase to the average householder of $30 per month? Would the minister indicate whether he is aware of this situation and if the National Energy Board was involved in approving of or scrutinizing this action?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am not familiar with the details of what the hon. member has raised. I suspect it may have to do with the B.C. government's pricing policy rather than the pricing policy at the wellhead. However, I will draw it to the attention of the National Energy Board.

* * *

ANTI-INFLATION BOARD

POSSIBILITY OF BOARD INTERVENING IN RATE INCREASE FOR NATURAL GAS IN NORTHERN BRITISH COLUMBIA

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I should like to direct a supplementary question to the Parliamentary Secretary to the Minister of Finance. Will he co-operate with the minister in determining what deal was made with the province of British Columbia that prevents the Anti-Inflation Board to intervene in a case where such an increase is imposed on the domestic consumer of energy?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I would be glad to bring that to the minister's attention and look into it with him.

Oral Questions

TRADE

TEXTILE IMPORT QUOTA—ACTION TO RELIEVE SMALL RETAILERS FROM EFFECT—POSSIBILITY OF MONOPOLIES BUYING QUOTAS

Mr. Ron Huntington (Capilano): Mr. Speaker, I have a question for the Minister of State (Small Business). I am wondering whether he would advise the House on measures he is taking to alleviate the plight and concerns of small retailers and importers who have been caught in the 1975 quota guillotine of the Minister of Industry, Trade and Commerce?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, if the hon. member will take the time to read the release we issued on the subject last Friday, on which my colleague worked with me, he will be satisfied we are doing our utmost to help the small businesses who started up in 1975. He will realize, too, that yesterday the first question by a member of his party called for more protection for the textile industry in Canada.

Mr. Huntington: Mr. Speaker, I can assure the minister that I have read the release many times. I am wondering whether the minister can advise if the textile quotas are to be permanent, and is he sympathetic to the growth of potential importing monopolies that are being encouraged through the buying up of these quotas?

Mr. Chrétien: Mr. Speaker, this is a very complex problem. Of course, I can see another change in the policy of the opposition in this regard since Monday. My main aim is to protect the textile industry in Canada and I hope to be able to achieve that in a rational manner. If the hon. member has not understood my statement of last Friday I will be pleased to send him a copy in French.

Some hon. Members: Oh, oh!

Mr. Huntington: Mr. Speaker, I really think these two questions are serious and important. They are not negative in any respect. Would the minister advise whether he is taking steps to prevent such a concentration of importing privileges in the hands of a few in Canada? There are many small businesses and retailers who are affected by this measure. I am sympathetic to the basic move, but are these problems being fixed up?

Mr. Chrétien: Mr. Speaker, in order to cope with this, especially for small businesses, we have decided to have a special allocation for businesses in high quality fashion, for those who started after 1975 and for the hardship cases we have retained 10 per cent of the quota for 1975 to distribute among those suffering the most.

[Mr. Kaplan.]

[*Translation*]

REGIONAL ECONOMIC EXPANSION

SIGNING OF NEW AGREEMENT WITH QUEBEC—GOVERNMENT POSITION

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion.

Could the minister tell whether the people of the Lower St. Lawrence, the Gaspé Peninsula and the Magdalen Islands can expect to enter into a new agreement of economic development as promised for 1976 or the beginning of 1977 or whether they must resign themselves to the resumption of negotiations presumably resulting from the change of government in Quebec on November 15 last?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I think that the hon. member and the people of the Lower St. Lawrence can reasonably expect to profit from an agreement on regional development which we hope to be in a position to conclude before the beginning of the next fiscal year.

* * *

[*English*]

EXTERNAL AFFAIRS

PAKISTAN—GOVERNMENT VIEW ON SUPPLYING MATERIAL IF NUCLEAR DEVICE DETONATED

Mr. Andrew Brewin (Greenwood): Mr. Speaker, might I address my question to the Secretary of State for External Affairs. In view of the fact that December 31 is the deadline for negotiating nuclear safeguards with Pakistan, which is believed to be working toward the explosion of a nuclear device, and in view of the fact that Canada has insisted that the explosion of any nuclear device by Pakistan will be followed by a cessation of Canadian supplies, keeping in mind that the deadline is so near, will the government reiterate this determination to cease supplying nuclear materials to Pakistan if a nuclear device is exploded by that country?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I believe I could answer the question with one word, namely, yes, but I should perhaps amplify it by saying the hon. member is quite correct in indicating the deadline, not only in relation to Pakistan but in relation to at least two other customer countries of which I am aware. We are in the process now of last minute, if that is the appropriate term, negotiations in the case of Pakistan, to see if there has been any change in attitude which would indicate their willingness to abide by the proposals we have placed before them. If the current last minute negotiations are not successful then the end result will be as the hon. member has outlined it, namely, there will cease to be any ongoing co-operation between us.

INDUSTRY

TEXTILES—PROPOSED STUDY OF INDUSTRY AND APPOINTMENT OF MR. PEPIN TO HELP STABILIZE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of widespread reservations, especially by bodies such as the Economic Council of Canada, about the present means to deal with the textile industry and bring stabilization, which is being greeted with some concern, is the minister considering any in-depth study of the industry either by his own department by bringing in outside people in the form of a task force?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I believe we had no other alternative in the circumstances. Of course, I read the comments made by the Economic Council of Canada where they say they would prefer it if we took other actions but they do not know which. After analyzing the situation in the textile industry in Canada in the last few years, I am happy to report to the House that it has improved and modernized itself greatly since 1970, but it still needs some assistance. That is why I decided to give Canadian manufacturers at least 55 per cent of the market and let the remaining 45 per cent to imports. No other industrialized country is as generous as Canada in matters of imports.

● (1500)

[*English*]

Mr. Ritchie: A supplementary question, Mr. Speaker. As the present head of the AIB has indicated his willingness to move, and as he was responsible for the legislation of 1970, is the minister considering that Mr. Pepin might serve in some capacity to help bring more stability to this industry?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I take good note of the hon. member's recommendation concerning Mr. Pepin.

* * *

[*English*]

OLYMPIC GAMES

AMOUNT OF UNSOLD COINS—GOVERNMENT PLANS FOR DISPOSAL

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in the absence of the Minister of Supply and Services I should like to pose a question to the Minister of Industry, Trade and Commerce, who is in a position to shed some light on this subject. In view of the unfortunate shortfall in respect of the projected sales of Olympic coins, could the minister advise the House what the total overrun amounts to and what the government intends to do with the large quantities of unsold coins now on hand?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Unfortunately, Mr. Speaker, I am not in a position to give specific information to the hon. member, but I will pass the question on to my colleague the Minister of Supply and Services.

Mr. Jelinek: Mr. Speaker, may I address a supplementary question to the Parliamentary Secretary to the Minister of Supply and Services. I wonder whether the parliamentary secretary could confirm the fact that the overrun of unsold Olympic coins is in the neighbourhood of 60 per cent to 70 per cent of the $450 million which were expected to be sold, and who will bear the cost of liquidating these coins? Would the parliamentary secretary also explain the statements made by Mr. Garot Jackobsen, the assistant master of the Mint, to the effect that no melting of the coins is in fact taking place?

Mr. Rod Blaker (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I have no information on that. I doubt that the premises of the first part of the question are correct; as for the other two points, I will communicate with the minister and the information will be provided to the hon. member.

* * *

NATIONAL DEFENCE

LOCATION OF PARACHUTE MAINTENANCE CENTRE IN RELATION TO AIRBORNE SCHOOL—POSSIBLE REMOVAL OF AIRBORNE SCHOOL FROM EDMONTON

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. The minister informed us last week that he was moving the Canadian forces parachute maintenance depot from Edmonton. As the Canadian airborne centre, which gives initial and advance training to all parachutists, is apparently to remain in Edmonton, can the minister confirm that the parachutes used by the airborne school—representing 40 per cent of the total—will have to be sent down here to be repacked after each jump?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I think the hon. gentleman is correct in that the airborne school does do the majority of the jumping. The airborne regiment does much less than the others, so that the packing facility and the airborne facility have to be together. That is why, in speaking to the hon. member for Edmonton Centre the other day, I said that any moves have to be phased so that the packing facility and the school facility are close at hand.

It is not a new phenomenon. When the airborne school was at Shilo, I believe it was, and at Rivers, chutes had to be returned for packing to one central depot, which is usually associated with the school where most of the repacking is done. As I pointed out to the hon. gentleman from Edmonton Centre, the chutes are repacked before the troops jump.

Mr. McKinnon: A supplementary question, Mr. Speaker. The minister now has the situation hopelessly confused. Last week he said that the depot was moving down here, and now

he indicates that it is going to stay in Edmonton. Could he be more specific: Is he or is he not going to move the parachute packing facility, what is known as the parachute maintenance depot, out of Edmonton?

Mr. Danson: When the airborne school is moved from Edmonton, as part of the phasing operation the packing operation will have to be moved to be close to it.

Mr. McKinnon: A final supplementary, Mr. Speaker. This is the first indication we have had that the minister has any intention whatever of moving the airborne school. Can we now take it that it is going to be part of his future policy to move that, too, out of Edmonton?

Mr. Danson: That is a possibility, Mr. Speaker.

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VETERANS AFFAIRS

JUSTIFICATION OF COST OF MOVING DEPARTMENT TO PRINCE EDWARD ISLAND

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Veterans Affairs. In the December issue of the *Argus-Journal*, the Public Service Alliance of Canada publication, there is a quotation from a letter received from the deputy minister of veterans affairs, Mr. Bruce Brittain. In this letter he states that the estimated total cost of moving the Department of Veterans Affairs from Ottawa to Prince Edward Island is $20 million. Would the minister justify this expenditure at this time of supposed government restraint?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, that is the anticipated cost, with completion of the move in 1980.

Mr. McKenzie: A supplementary question, Mr. Speaker. Can I take it from that answer that the government is definitely going to move DVA to Prince Edward Island at an estimated cost of $20 million?

Mr. MacDonald (Cardigan): The principle of this proposal has been approved by the government of Canada, Mr. Speaker, and as far as I am concerned the department is definitely going to move.

* * *

INDUSTRY

REQUEST FOR ACTION TO PROTECT ONTARIO CHICKEN PRODUCERS FROM EFFECTS OF IMPORTS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I should like to give the Minister of Industry, Trade and Commerce another opportunity to demonstrate his support for the protection of Canadian industry from cheap foreign imports. In view of the fact that imports of chicken into Canada this year are running at four times the 1974 level and that 95 per cent of the chicken being imported into this country is coming into Ontario, does the government propose taking any short term action to provide relief for Ontario producers from these extremely high levels of chicken imports between now and the time the final decision is made on the creation of a national chicken marketing agency? I ask this question in view of the fact that not only dollars but jobs are being lost to the United States in this respect.

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, at the moment I have nothing to announce in this regard and of course, before I announce any policy in that area, I shall have to consult with my colleague the Minister of Agriculture.

[*English*]

FOOTWEAR—REQUEST FOR REPORT ON CLOSING OF FACTORIES IN MOUNT FOREST AND MARKDALE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, may I ask a related question on the subject of import quotas. On November 30 the minister indicated to me that he was not then in a position to report to the House on the undertaking that he had made on November 9 concerning the shutdown of two Canadian shoe factories in Mount Forest and Markdale because of the level of imports from abroad. Is the minister now in a position to give that report, and, if so, what is it?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, according to my information, and concerning the hon. member's question, I think that the closures mentioned by him are due, in particular, to a reorganization in the industry, and are not specifically related to the import problems. I must say to the House that the level of imports in the footwear industry concerns me. I just received the recommendations of the Canadian committee of footwear manufacturers and I expect to be able to announce a policy in that area soon.

* * *

[*English*]

AIR TRANSPORT

APPLICATION FOR PASSENGER SERVICE IN ATLANTIC PROVINCES—REQUEST FOR REPORT

Mr. Maurice Harquail (Restigouche): Mr. Speaker, in view of the nearness of year end coupled with the long period of time that we have been waiting for a decision from the CTC on the class two licence applications before them for air passenger service in Atlantic Canada, I wonder whether the Minister of Transport could give the House some indication of the status of these applications before the CTC and also the position of his department and the government with respect to any plans his department may have to work along with the

implementation of this much needed air passenger service in Atlantic Canada?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, along with the hon. member we await that decision very eagerly and will attempt to deal with it in whatever way we must as expeditiously as we can.

* * *

ATOMIC ENERGY CONTROL BOARD

POSSIBILITY OF GRANTING APPLICATION FOR PILOT URANIUM MILL IN SASKATOON

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, may I direct my question to the Minister of Energy, Mines and Resources, who is apparently serving as Acting Prime Minister today? May I ask the minister responsible for the Atomic Energy Control Board whether or not the board has received an application for permission to establish a pilot uranium mill in the city of Saskatoon from Amok Ltd., whether permission will in fact be granted, or whether or not they will await full environmental studies in the city of Saskatoon and its environs before granting such a licence?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I would be very pleased to look into the whole question of a licence. It is not something on which I give directions to the Atomic Energy Control Board.

* * *

PRIVILEGE

MR. YEWCHUK—NEWS REPORTING

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise on a question of privilege since it is the only course open to me to protest against a recent, shabby CTV news report which, by innuendo, casts a slur upon me and my family. The report dealing with travel on DND aircraft and written by Mr. Charlie Greenwell, after a telephone interview with myself, was inaccurate and erroneous as well as clearly designed to make a preconceived point. I was unable to resolve the matter with CTV News since no one, not even the reporter concerned, would discuss the subject with me, although I made three attempts to contact them.

● (1510)

Having been given the facts, Mr. Greenwell chose to sensationalize the issue by producing a false and misleading report. Subsequent refusal to discuss the matter and take corrective action, in my view, establishes him as the journalistic equivalent of a creature to whom scientists refer as *sus scrofa*, or referred to pseudo scientifically as *porcus domesticus*. In view of the facts which I have outlined, and in view of the fact that this House has always staunchly defended the freedom of the press, if you, sir, should decide that my question of privilege is valid, I would move that this House express its displeasure with all examples of shabby and irresponsible news reporting.

Some hon. Members: Hear, hear!

An hon. Member: You would have to abolish the *Globe and Mail*.

Mr. Speaker: Order, please. For reasons which I set out at greater length in respect of earlier but similar cases raised by hon. members respecting the reporting of their activities, either directly or indirectly connected with their capacities as members of parliament, I have come to the conclusion that, as I have expressed in the past and for these reasons, unless the reporting amounts to a contempt of the House it should not be looked upon as being in the class of a question of privilege. Certainly, no argument is put forward that the reporting is contemptuous in this situation. Therefore, I will have to hold that no prima facie question of privilege appears to be raised by these remarks at this time.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: I should like to ask the government House leader if he would indicate what order of business is intended for today, in view of the statement made yesterday in the House that he intended to have Bill C-22 passed through all stages. Would he advise the House of his intention with respect to the business of the House for the balance of the day?

Mr. MacEachen: Mr. Speaker, I varied the order of the business in an effort to develop a more seasonal atmosphere in the House of Commons.

Some hon. Members: Hear, hear!

Mr. MacEachen: Therefore, I would like to call the bill on historic sites and monuments, followed by the metric conversion bill, followed by the bill on scientific activities, followed by the bill on satisfied securities.

Mr. Elzinga: Mr. Speaker, I rise on a point of order. I seek clarification of Your Honour's ruling with regard to questions relating to financial matters which might possibly be related to future budgetary provisions. I refer specifically to questions put by the hon. member for York-Simcoe yesterday and by the leader of the NDP last Friday. These two members were cut short by Your Honour and it was Your Honour's opinion that their questions were basically on budgetary matters. I am sure Your Honour can appreciate the difficulty which hon. members have in asking questions on fiscal matters since almost all questions can ultimately be considered to be on budgetary matters. In my humble opinion, the questions appear to be in order with regard to form and content, and I wonder if clarification could be obtained from Your Honour in regard to this matter.

Mr. Speaker: Order, please. The hon. member raises a very interesting question. It has been the subject, I am sure, of much conversation. I am prepared to consider the matter very carefully over the Christmas break. However, it does seem to me that when a question is put to a minister, the answer to which would result in one of the strongest and most clearly established breaches of privilege in the annals of that very narrowly defined procedural area, there is little sense in allowing the question to be put if the answer will clearly be that it is a budgetary matter, and if it were to be answered it would breach one of the most well established privileges of the House.

It might be preferable to allow such questions to be put on the narrow grounds that the minister can always say that he is not prepared to consider such matters. However, that seems to me to be most unlikely ground, and in fairness we should indicate to hon. members putting such a question whether the Minister of Finance is prepared to consider a cut in taxes. That is a question that has been the subject matter of rulings on both occasions. If the minister were to give an indication that such matters were being considered, his answer would have to be classified as a leak of budgetary considerations, which is a clear breach of privilege. Therefore, if the answer will result in an offence against the privileges of the House, it seems to me that the question should not be put. However, if there is a strong feeling about it, I can listen to other representations and perhaps consider them over the Christmas break.

Mr. Hnatyshyn: If Your Honour will be considering this matter over the Christmas vacation, I would mention that two of the instances in question related to requests for tax cuts; they sought an indication from the minister as to whether there would be tax cuts. I would remind Your Honour—and perhaps you will recall yourself—that certainly this is merely one option with respect to the economic circumstances of our country which was presented to the federal-provincial meeting by the Minister of Finance.

When the question was asked by the leader of the NDP and by the hon. member for York-Simcoe with respect to that possibility, it seemed to me to be in the context of whether or not it was an option that was being considered. In other words, the minister had the opportunity of saying either that it was, or was not, that there were other options, or elaborating on them. It seems to me that when there are serious economic matters that face our country, as there are today, these kinds of questions simply search out and seek clarification on the options that are available. The possibility is available to us, and it would not breach budgetary secrecy and the traditional privileges of hon. members would not be thereby affected.

So I simply make my observations in the knowledge that Your Honour will probably have thought of them himself. I simply wanted to raise them in case, by some oversight, you did not consider that aspect.

Mr. Speaker: Order, please. I should like to assure the House that the next time a question of this nature arises which does not invite a clear breach of parliamentary privilege and which is not a representation, which is often the case—a question put in this form is in double jeopardy because usually it is a straightforward representation—I will give it careful consideration, and if I have any doubt perhaps I will postpone the question until three o'clock and listen to arguments as to whether or not the question is in order.

[Mr. Elzinga.]

ROUTINE PROCEEDINGS

[*English*]

TRADE

PRESENTATION OF REPORT ON HOW TO IMPROVE BUSINESS—GOVERNMENT RELATIONS

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2), I have the honour to present the report on how to improve business-government relations in Canada.

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HOLIDAYS ACT, 1976

MEASURE TO INSTITUTE JULY 1 AS "CANADA DAY"

Hon. John Roberts (Secretary of State) moved for leave to introduce Bill C-30, an act respecting certain holidays.

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

Mr. Speaker: When shall the said bill be read the second time?

Mr. Knowles (Winnipeg North Centre): Tomorrow.

Mr. Speaker: At the next sitting of the House?

Some hon. Members: Agreed.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 147, 340, 344, 636, 761, 918, 924, 937, 962, 963, 1,027, 1,039, 1,043, 1,057, 1,087 and 1,098.

[Text]

DEPARTMENT OF FINANCE—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 147—Mr. Orlikow:

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Department of Finance?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Hon. Donald S. Macdonald (Minister of Finance):

1. (a)

Contract Description	2. Amount Committed	Name
To analyse long-term development of monetary and real income distribution among the different groups of the Canadian population.	$ 4,437.00	F. H. Leacy
To analyse and report on medium and long-term growth prospects of the Canada Economy and of the government sector in particular.	$ 5,500.00	F. H. Leacy
To assist and advise the Tax Policy Branch, Department of Finance, concerning aspects of the Anti-Inflation Program.	$ 11,550.00	Coopers & Lybrand
To assist and advise the Department of Finance in providing information to the public concerning the economic situation, to undertake other special projects including communications liaison and to participate as an advisor at meetings of senior departmental officers.	$ 42,499.92	B. E. MacDonald
To undertake tasks identified in the system proposed to the provinces in the Continuing Committee Sub-Committee on Intergovernmental Taxation and to carry out such other tasks as may be assigned by the project coordinator of the Task Force on Reciprocal Taxation.	$163,109.75	Biro Inc.
To assist and advise the Tax Policy Branch, Department of Finance, concerning aspects of the Anti-Inflation Program.	$ 18,700.00	Peat, Marwick, Mitchell & Co.
To assist and advise the International Tax Policy Division particularly in the analysis and review of the International provisions of the Income Tax Act and the negotiations of a new network of International Tax Treaties.	$ 30,875.20	G. Coulombe
To undertake research and studies requested by the coordinator for the Task Force on Reciprocal Taxation.	$ 4,050.00	V. Festing
To provide advice to the Director Information Services Division of the Department of Finance on the preparation of special publications and information associated with the Federal Budget.	$ 5,000.00	H. M. Furniss

1. (b)

Contract Description	2. Amount Committed	Name
To advise and assist the Guaranteed Loans Division in the compiling and writing of an Operational and Procedures Manual and assist the Financial Services Division of the Department of Finance to carry out a management study of the Guaranteed Loans Division.	$ 5,040.00	J. Mahar
To examine the papers and documents held in the office of the Deputy Minister, in the light of Government policy and practice respecting the custody of public records, recommend which papers and documents should be incorporated in departmental records and to provide advice to the Deputy Minister on questions arising in connection with the internal organization and administration of the Department.	$ 5,000.00	S. S. Reisman
To provide advice to the Director, Information Services on the establishment of a system to deal with ministerial correspondence and on the quality control of the production of the Enquiries Centre.	$ 1,800.00	S. A. Clemens

Order Paper Questions

1. (a) Contract Description	2. Amount Committed	Name	1. (b) Contract Description	2. Amount Committed	Name
To advise the Economic Programs and Government Finance Branch concerning economic analysis of issues relating to resource allocation.	$ 4,625.00	D. F. Gordon			
To advise the Economic Development Division concerning economic aspects of transportation policy.	$ 4,600.00	T. D. Heaver Enterprises Ltd.			
To advise and assist the Corporation and Business Income Division particularly with respect to analysis of the taxation of the natural resource industry.	$ 4,500.00	Price Waterhouse and Company			
To provide advice in connection with studies and analysis pertaining to the Decennial Revision of the Bank Act.	$ 33,541.59	M. Clennett			
Total	$332,988.46		Total	$11,840.00	
3. Comparable figures for 1973-74	$132,655.00			$50,666.00	

PRESS CONFERENCE ON COMPLAINTS RELATING TO UNEMPLOYMENT INSURANCE SYSTEM

Question No. 340—**Mr. Herbert:**

1. Was a press conference given by five hooded individuals on Sunday, September 26, 1976 to air complaints concerning the unemployment insurance system and, if so, was the conference reported by the Canadian Broadcasting Corporation?

2. Were any of the individuals employees of the Department of Manpower and Immigration?

3. Have any of the individuals applied for unemployment insurance payments?

4. Is an employee of the Department of Manpower and Immigration entitled to publicly voice his criticism of departmental regulations and their application?

5. Have any employees recently been dismissed for publicly criticising the Department and, if so (a) who were they (b) for what reasons?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Canadian Broadcasting Corporation and the Department of Manpower and Immigration as follows: 1. Yes.

2. Not known.

3. Not applicable.

4. No.

5. No.

[Mr. Macdonald (Rosedale).]

PROPORTION OF TOTAL SALES OF LARGEST GRAIN ELEVATOR COMPANIES

Question No. 344—**Mr. Nystrom:**

1. What proportion of total sales did the four largest grain elevator companies in the industry earn in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year that statistics are available)?

2. What proportion of total sales did the eight largest firms in the industry earn in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year that statistics are available)?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports the following: 1. The proportion of total sales earned by the four largest grain elevator corporations in the industry was 56 per cent in 1965, 70 per cent in 1970, and 85 per cent in 1973, the latest year for which statistics are available.

2. The proportion of total sales earned by the eight largest grain elevator corporations in the industry was 74 per cent in 1965, 91 per cent in 1970, and 95 per cent in 1973, the latest year for which statistics are available. The above are based on data compiled from the income tax returns of corporations on the basis of industry statistics contained in the Statistics Canada publication "Corporation Financial Statistics." Sales include commissions and rent.

NOTE: Data for 1960 are not available.

AIB PERSONNEL

Question No. 636—Mr. Beatty:

1. For each month since the creation of the Anti-Inflation Board (a) how many people were employed by the Board (b) what was the payroll of the Board (c) how many employees of the Board were seconded from other parts of the government?

2. By month, how many consultants were employed by the Board and what was the cost to the government?

3. (a) By month, how many square feet of office space have been used by the Board and where was such space located (b) is the Board currently looking for more office space or giving consideration to building permanent facilities?

Hon. Donald S. Macdonald (Minister of Finance): 1. (a) See Table "A". (b) See Table "B". (c) See Table "A".

2. See Table "C".

3. See Table "D".

Table "A"

1.	(a)	(c)
Month	Employees	*Secondments
December, 1975	342	177
January 1976	407	187
February	470	175
March	524	184
April	677	164
May	860	197
June	889	151
July	906	132
August	865	104
September	856	100
October	866	97

* These are included in the totals shown in (a).

Table "B"
Monthly Payroll of the AIB

1975	
October	Nil
November	Nil
December	$ 71,242.75
1976	
January	127,334.21
February	374,508.52
*March	561,289.40
April	298,147.99
May	417,464.26
June	596,268.42
July	695,126.50
August	1,080,981.38
September	1,287,914.06

* The payroll during the month of March includes the majority of retroactive adjustments for the period of December to March. This is the result of the time lag between the official date of appointment of personnel and the processing of adjustment between departments. It also includes the overtime paid for the period of January to March.

The records are not kept in a format which will indicate the exact cost per month. The average payroll for the first four month period of the Anti-Inflation Board was $286,063.

2. Consultants by man month and cost:

Table "C"

Month	Man months	$
November	1	3,750
December	5	20,650
January	5	14,500
February	6	25,475
March	5	15,050
April	6	23,162
May	7	28,553
June	8	25,487
July	11	29,862
August	7	19,329
September	2	6,113
Total	63	211,931

3. Following is a list by location, square footage and occupancy date of office space used by the Anti-Inflation Board.

Table "D"

(a) Ottawa		
Canadian Building	Square Footage	Occupied since
14th Floor	13,189	October 1975
13th Floor	13,189	October 1975
12th Floor	13,189	November 1975
11th Floor	13,189	April 1976
10th Floor	13,189	November 1975
9th Floor	13,189	December 1975
8th Floor	13,189	December 1975
7th Floor	13,189	April 1976
5th Floor	13,189	July 1976
2nd Floor	3,220	April 1976
Maple Leaf Building		
1st Floor	15,904	February 1976
Booth Building		
3rd Floor	7,947	May 1976
2nd Floor	5,106	May 1976
Vanguard Building		
8th Floor	10,642	June 1976
Export Development Building		
9th Floor	9,109	June 1976
Regional Offices		
Halifax	4,000	December 1975
Toronto	2,060	December 1975
Quebec	2,603	December 1975
Montreal	1,401	January 1976
Winnipeg	2,259	December 1975
Vancouver	3,020	February 1976

(b) No.

POST OFFICE, WHITE ROCK, B.C.

Question No. 761—Mr. Friesen:

1. What was the cost of the land acquisition for the construction of the Post Office bulk mail handling facility in White Rock, British Columbia?

2. What was the (a) estimated (b) final cost of construction?

3. What was the cost of machinery and equipment for the installation?

4. How many regular delivery vehicles will the facilities accommodate?

5. How many persons will be employed?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Public Works and the Post Office Department as follows: 1. Land, $225,000; Survey, $1,300; Appraisal Fees, $5,128.40; Total, $231,428.40.

2. (a) $517,500; (b) $501,000 (Estimated Final Cost).

3. Equipment was transferred from the old post office and from surplus equipment that was available in the Vancouver area.

4. One Highway Service vehicle and eight Mailmobiles.

5. Forty-seven.

OFFICIAL DEVELOPMENT ASSISTANCE

Question No. 918—Mr. Howie:

What progress has been made with the five-year strategy for international development co-operation commenced in 1975 in respect to achieving the United Nations target of 0.7% of Gross National Product?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): In 1975 Canada increased its official development assistance (ODA) by 23 per cent, for a total of $880 million dollars (U.S.), as compared with $713 million dollars (U.S.) in 1974. Therefore official development assistance increased from 0.50 per cent of GNP in 1974 to 0.56 per cent in 1975.

CHEMICAL CONTROL RESEARCH INSTITUTE RELOCATION

Question No. 924—Mr. Mazankowski:

1. Is the Chemical Control Research Institute in Ottawa to be relocated in Sault Ste. Marie and, if so (a) on what date will the move commence (b) how long will the move take (c) what is the estimated cost of the move (d) how many employees are involved and what is the estimated cost of moving the employees and their families?

2. Was there consultation with the employees before the decision to relocate was made and, if so, in what manner?

[Mr. Macdonald (Rosedale).]

3. Has a cost benefit analysis been completed with respect to the relocation and, if so, what are the results?

4. What is the estimated cost of the renovations required to adapt the new building in Sault Ste. Marie to the needs of the CCRI?

5. What was the cost of renovations recently completed to the current building in Ottawa which is leased by the government?

6. Does the current building have to be restored to its original condition before turning it over to the owner and, if so, what is the estimated cost of such a project?

7. What criteria were used by the Treasury Board in making the final decision on the move?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. Yes (a) April 1, 1977; (b) 1½ years; (c) $285,000 (including (d)); (d) 35 employees—$175,000.

2. Some employees may have been made aware of the proposed relocation but no formal consultations were held until after the merits of the relocation were studied and decided upon.

3. Yes. The Chemical Control Research Institute needs increased and improved laboratory facilities. It has been planned for some time to amalgamate its program with that of the Insect Pathology Research Institute at Sault Ste. Marie. Modern federal research facilities recently completed at Sault Ste. Marie now provide space that can be occupied by the Chemical Control Research Institute and cannot be duplicated elsewhere for less than $3 million.

4. $195,000.

5. 1975-76—$2,925; 1976-77—$9,312.

6. Extent to which building must be restored is not certain.

7. The move was based on program needs as indicated in response to part 3.

OLYMPIAD FOR THE PHYSICALLY DISABLED

Question No. 937—Mr. McCleave:

With reference to the motion passed unanimously in the House on October 19, 1976 concerning support for the Olympiad for the Disabled, is it the intention of the government to support the Olympiad for the Disabled fund raising programme and, if so, in what form will such support be and will funds be made available?

Hon. Marc Lalonde (Minister of National Health and Welfare): There will be no direct support to the fund raising campaign for the Olympiad for the Physically Disabled from the Fitness and Amateur Sport Branch, Department of National Health and Welfare. As stated in the Minister's news release of July 28, 1976, the funds which had been destined for the 1976 Olympiad for the Physically Disabled in Toronto, until its organizers invited South Africa, will be devoted to assisting the development of a national sports and physical recreation program for Canada's handicapped.

OUTSTANDING DISABILITY PENSION CLAIMS

Question No. 962—Mr. Howie:

1. As of November 1, 1976, how many veterans had cases pending decision or awaiting a hearing before the Pension Commission?

2. How many of these veterans were residents of New Brunswick?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. At November 1, 1976 there were 2,776 claims by veterans or their surviving dependants at first decision level awaiting adjudication. In addition, there were 5,024 cases in which a first decision had been rendered but in which the applicant was dissatisfied and requested an Entitlement Board hearing to determine eligibility for pension. Of these, 2,291 are awaiting preparation of the statement of case in the manner and form required by the Pension Act. In 1,328 cases the statements of case have been prepared and are in the hands of the Avocate and/or the applicant, for certification by the applicant that he is ready to proceed with the hearing. The hearing cannot be held until the certification is received. There are 1,405 claims which have been certified as ready to be heard. There are 818 cases where the pensioner has appealed the Commission decision as to the amount of the assessment of his disability and has requested a formal hearing as to quantum by two members of the Commission. Of these, 167 cases are awaiting certification of readiness to proceed by the applicant or Advocate, 197 cases are listed as ready to be heard.

2. Statistics are not maintained concerning the province of origin of applications at first decision level. However, at November 1, 1976 there were 344 applications from New Brunswick, for a hearing by an Entitlement Board or as to quantum by two Members of the Commission. Of this number 162 claims are in the process of having documentation prepared in the manner and form required by the Pension Act. In 98 cases the documentation has been referred to the applicant, usually through his Advocate and the Commission is waiting the applicant's notice that he is ready to proceed with the hearing. Eighty-four cases are ready to be heard.

OUTSTANDING WAR VETERANS ALLOWANCE CLAIMS

Question No. 963—Mr. Howie:

How many veterans have cases (a) pending (b) awaiting a decision or hearing to determine (i) eligibility (ii) amount of benefit for the War Veterans Allowance and, of these, how many were residents of New Brunswick?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs):

	(a)		(b)	
	(i)	(ii)	(i)	(ii)
National	1,501	5,393	235	523
New Brunswick	85	35	None	None

IRVING CASE—LEGAL FEES

Question No. 1,027—Mr. Howie:

1. How much money was paid to date, for the prosecution of the Irving interests under the Combines Investigation Act, exclusive of departmental personnel and to whom was it paid?

2. Was the cost of travel outside of Canada in connection with this case paid to any departmental personnel and, if so, to (a) how many persons (b) what destinations?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): 1. William L. Hoyt, Q.C., $174,335 (fees and disbursements); T. Joseph Scanlon (Consultant), $12,467 (fees and disbursements); Winnifred Johnston (Witness); $630; Total, $187,432.

2. (a) Two. (b) One to Washington and one to Bermuda.

AIR MAIL LETTERS

Question No. 1,039—Mr. Clarke (Vancouver Quadra):

1. Do airmail letters sent from Europe to Vancouver take from ten to sixteen days to reach the receiver and was the average time last year from four to six days and, if so, what action, if any, is planned to improve the service?

2. Is mail from Britain to Vancouver shipped first to Montreal or Toronto before being shipped to Vancouver and, if so, for what reason?

3. Does the government intend to route outgoing mail from Vancouver to Europe via Toronto or Montreal instead of shipping the mail directly from Vancouver and, if so, for what reason?

4. If mail is handled first at Montreal or Toronto, then again at Vancouver (a) are there more employees involved in handling the mail than if it was sent to Vancouver directly (b) considering the wages paid to post office employees at both locations, is the total cost of handling the mail greater than if the mail was shipped directly to Vancouver and, if so, how does the government explain this excessive expenditure?

5. Does overseas airmail receive lower priority in sorting than third-class domestic mail and, if so, for what reason?

6. Have expenditures on machinery in the postal system resulted in a reduction of staff?

Hon. J.-J. Blais (Postmaster General): 1. Some airmail letters from Europe to Vancouver may take from ten to sixteen days to reach the addressee and the time lapse would depend, in part, in what country the mail originated. However, such transmission time should be the exception rather than the rule. There are no figures available that would show that the average time last year for such mail would have been from four to six days. Checks made at Vancouver have indicated that, in some cases, airmail letters have been posted in England up to five days prior to despatch. Allowing possibly up to two days for such mail to reach Vancouver, and an additional two days if a weekend intervenes, up to nine days' transmission time would be accounted for.

2. Air mail from Britain for Vancouver is transported by British Airways to Mirabel Airport exclusively. The decision to off-load at Mirabel Airport all air mail destined to offices in Toronto and west was made by the British Postal Administration in January 1976.

3. Air mail from Vancouver for Britain and the major European countries has always been and will continue to be routed directly from Vancouver.

4. (a) Yes, our postal employees at Mirabel Airport must effect a bag transfer operation. This consists of taking the bags out of the incoming airline tub carts and transferring them to other airline tub carts for connection with next available domestic flights to Toronto and/or west. (b) Since the start of this new routing, there has been no need to increase the number of postal employees or create overtime at our Mirabel postal facility to cope with this light increase in workload.

5. Overseas letter-rate items are afforded first-class service in Canada.

6. Acquisition of mechanized equipment to sort postal coded mail has reduced overtime and usage of casual labour. It also reduces the number of additional positions that must be filled to process increase in mail volume.

INCOME TAX OWING

Question No. 1,043—**Mr. Howie:**

As of January 1, 1976, how much income tax owing to the Crown by persons or corporations was unpaid and, of this amount, how much was owing by persons not resident in Canada?

Hon. Monique Bégin (Minister of National Revenue): (a) Corporation Tax, 28,238; $248,613,000. (b) Individual Tax, 566,472; $472,823,000.

In so far as income taxes owing by persons not resident in Canada, statistics are not maintained to allow the production of this information.

DREE—GRANTS TO ALGOMA STEEL CORPORATION

Question No. 1,057—**Mr. Symes:**

1. What is the total dollar value of DREE grants to Algoma Steel Corporation since 1968?

2. How many new jobs were to be created by the grants?

3. How many new jobs have been created as a result of the grants?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 1. Two offers totalling $12,000,000 have been made to The Algoma Steel Corporation Limited for projects in Sault Ste. Marie.

2. 1,100 new jobs are expected to be created as a result of these two DREE offers.

3. One of the projects is still under construction and, as the two projects are complementary, the projected increase in employment attributed to the offers will not be realized until both projects have reached commercial production.

RCMP—PERSONNEL FROM NEW BRUNSWICK

Question No. 1,087—**Mr. Howie:**

1. For each fiscal year ending March 31 (a) 1970 (b) 1972 (c) 1974 (d) 1976, how many new persons were employed by the RCMP and how many were from the Province of New Brunswick?

2. During each of the same years, how much was paid to the federal government by New Brunswick for RCMP services?

Hon. Francis Fox (Solicitor General): 1.

[Mr. Blais.]

	Employed by RCMP	From the Province of New Brunswick
(a)	785	49
(b)	1,228	80
(c)	1,613	106
(d)	1,313	85

NOTE: These figures do not include Public Servants as data of this nature is not available.

2. New Brunswick paid the Federal Government the following amounts for Provincial Police Services in each fiscal year ending March 31: 1970, $1,740,722; 1972, $2,041,414; 1974, $3,219,950; 1976, $4,317,886.

HOSPITAL CARE FOR VETERANS IN NEW BRUNSWICK

Question No. 1,098—**Mr. Howie:**

1. Since January 1, 1976, has the Department of Veterans Affairs entered into any negotiations with the Province of New Brunswick with a view to increasing the number of hospital beds available to veterans who require (a) active treatment facilities (b) non-active or nursing home facilities?

2. Is the Department (a) conducting negotiations (b) making inquiries into the availability of beds or other facilities for veterans at the Victoria Public Hospital, Fredericton, New Brunswick and, if so, how many beds does the Department consider desirable?

3. Is there a shortage of (a) active treatment hospital beds (b) non-active treatment or nursing care beds for veterans in New Brunswick and, if so, how many more beds in each category are required?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. (a) No; (b) yes.

2. (a) Yes; (b) yes, 50.

3. (a) No; (b) yes, estimated 50 more beds required, nursing care.

[*English*]

Mr. Goodale: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. McGrath: Mr. Speaker, according to the order paper, the House is due to recess tomorrow for approximately a month. Can the parliamentary secretary give us any assurance that he will make some attempt to clear up some of the outstanding questions on the order paper going back to the beginning of the present session?

Mr. Goodale: I think it would probably be useful to point out to hon. members that we have been keeping track over the last several weeks of this session of the rate of response to questions, the rate at which the government has been able to provide answers to questions put by hon. members.

• (1520)

I am pleased to report to hon. members that the rate of response to the number of questions which have been asked is, in fact, one of the highest rates which has been seen by this parliament. So I will give my hon. friend the undertaking that we will do our best to answer as many questions as possible before the adjournment, which is anticipated soon, but I think it is worthwhile pointing out that the performance in this particular session has been very good indeed.

Mr. Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

HISTORIC SITES AND MONUMENTS ACT

AMENDMENT TO INCREASE NUMBER OF MEMBERS OF BOARD

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development) moved that Bill C-13, to amend the Historic Sites and Monuments Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

Mr. Keith B. Penner (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development): Mr. Speaker, it is a pleasure for me to introduce this bill at the second reading debate stage on behalf of my minister, the Minister of Indian Affairs and Northern Development (Mr. Allmand) who is also responsible for Parks Canada under the purview of which this particular bill falls.

The Historic Sites and Monuments Act provides that the board, bearing the same name, recommend to the Minister of Indian Affairs and Northern Development places, events and persons of historical significance to our country. Established in 1919, the board is composed of 15 members; two representatives each from Ontario and Quebec, one each from the remaining eight provinces, one representative each from the National Museums of Canada and the Dominion Archivist, and an officer from the Department of Indian Affairs and Northern Development. I understand that the latter position is vacant at the present time. The provincial representatives are usually historians or archivists of great repute. Mr. Marc Laterreur is the chairman of the board, and he is also a member of the Department of History of the Faculté des Lettres of Laval University in Quebec.

In the past 20 years, on the recommendation of the Historic Sites and Monuments Board of Canada, more than 70 historic parks and major sites have been designated, and almost 700 persons and events of historical significance have been commemorated. National historic parks and sites attracted 4.4 million visitors during 1975-76. The Halifax Citadel and Signal Hill in St. John's, Newfoundland, each recorded more than 800,000 visitors. The Fortress of Louisbourg, in Nova Scotia, received nearly 300,000 visitors, and the Alexander Graham Bell Museum, at Baddeck, Nova Scotia, recorded 243,000 visitors. In western Canada, there were 115,000 visitors to Lower Fort Garry, and 101,000 persons visited the RCMP ship *St. Roch* in Vancouver. In the Yukon Territory there were almost 85,000 visitors to the historic buildings and sites in the Dawson City area, including 10,000 visitors to the Palace Grand Theatre and 24,000 visitors to the Robert Service cabin.

In the past, much emphasis has been given to military sites in Parks Canada's presentation of national historic parks and sites. As a result, some provinces with little military history have not been adequately recognized in the present historic parks program. Planning has now been directed to provide a proper balance of thematic and regional factors which will allow Parks Canada to recognize Canada's history in such fields as agriculture, industry and ranching. The departmental estimates which were approved by parliament provide almost $19 million for capital expenditures by the national historic parks and sites branch of Parks Canada in the current year. In the years to come we will be asking parliament for additional amounts to carry out this program of historical commemoration, preservation and restoration for the benefit of all Canadians.

The purpose of amending the Historic Sites and Monuments Act is to have a better representation of two important parts of Canada, namely, the Yukon and the Northwest Territories. Up until now representatives from these northern regions attended board meetings only as observers without the right to vote. If the amendment to the act today, at second reading, is adopted, the delegates from the Yukon and the Northwest Territories on the Historic Sites and Monuments Board of Canada will no longer voice their opinions in merely an advisory capacity. The board would have 17 members instead of 15, and the representatives from the Yukon and the Northwest Territories would have full voting rights which up to the present they have not had.

In the eyes of all the people of Canada, the north, with all its human, cultural and natural resources, is becoming increasingly important. I therefore believe that hon. members of this House will approve a measure which would ensure the participation of these vast regions in that board.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I would like to make a few comments with respect to Bill C-13. It is a fairly straightforward bill, and as the parliamentary secretary has said, what it does is increase the representation on the board by two, one representative from the Northwest Territories and one from the Yukon Territory. Quite frankly, this amendment should have been proposed a number of years ago. I was interested to hear the parliamentary secretary say that until now the representatives from the two territories have sat as observers and have not had voting rights. This is the situation with respect to most boards and with respect to conferences

which take place where representatives of the territories are invited.

I am reminded of a conference which took place a short time ago. It was a federal-provincial conference of ministers with respect to manpower, and two territorial councillors, one from the Yukon and one from the Northwest Territories, were invited to attend. When they arrived at the conference, where they thought they would be given full delegate status, they were seated in the back rows behind the mandarins and were told, quite frankly, that if they wished to put any questions or to participate in the debates at that conference, they would have to do so through the mandarins or through the ministers. So this bill is a step forward in giving some status to representatives from the two territories. I hope this is just the beginning of steps to give more representation and more authority to the people in the territories, Mr. Speaker.

● (1530)

I was disappointed, in the parliamentary secretary's remarks about the various parts of Canada, that he just hopped over the province of Saskatchewan from which I happen to come. This province has an historic background and some historic sites well known to people throughout Canada. The Riel rebellion of 1884-85 took place in Saskatchewan; we have Batoche, Fish Creek and other places—yet the parliamentary secretary did not see fit to mention the number of visitors to these historic sites last year.

Mr. Hnatyshyn: All located in Saskatoon-Biggar!

Mr. Neil: The hon. member says they are located in his constituency, and that is true. It is a fine constituency, and when the parliamentary secretary speaks on the subject in future I hope he will not overlook the province of Saskatchewan which is so often overlooked by members from other parts of Canada. The parliamentary secretary also mentioned that additional amounts of money would be needed to provide for future historic sites and monuments. I think it is important that money be set aside for this purpose because historic sites and monuments indicate part of our history and part of our heritage.

When I was looking over Bill C-13 and making a few notes in preparation for my remarks today, I came across the two programs that are proposed to assist unemployment; the Canada works program and the young Canada works program. I think either, or both, of these programs could be used to further the development of historic sites and monuments. When I look back over the LIP programs that have taken place over the years, I find that many of the projects did not have lasting value. The money is spent, the program is over, and there is nothing to remember it by. It would seem to me that the young Canada works program in particular could be adapted to the development of historic sites because it would give the youth of our country an opportunity to participate in their heritage.

I hope the minister will be in touch with the Minister of Manpower and Immigration (Mr. Cullen) and will suggest to him that he direct the attention of the ministerial advisory committee to programs directed toward historic sites and monuments.

Mr. Speaker, I have nothing more to say on the bill. We are in agreement with its terms and it will be passed through committee very quickly. I am sure that when it comes back to the House for third reading there will be a very short debate in order that the bill may become law.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, this is a lucky day for the Northwest Territories and the Yukon in this House with this debate on Bill C-13 which will give part-time jobs to a couple of people. This is a big deal because we need the jobs, I guarantee that. Bill C-13, to amend the Historic Sites and Monuments Act, will increase the number of board members from 15 to 17 with the addition of one from the Northwest Territories and one from the Yukon. Whoever they are, will, I am sure, be a useful addition to the board and will make some good recommendations. I think the bill should receive support because, as I mentioned, we need the jobs in the north.

Mr. Speaker, in Yellowknife a two-bedroom apartment rents for $560 a month; electricity, for a home in Yellowknife, costs from $150 to $250 per month; fuel, for the average home in Yellowknife, runs from $150 to $200 a month—yet wages are not higher than anywhere else in the country, although the taxes are. In a place like Fort McPherson, in the Mackenzie Delta, a loaf of bread costs a dollar; a quart of milk, $1.84; butter, $1.75; eggs, $1.93 a dozen. What is the government doing about this, Mr. Speaker? Is the bill going to change the Northern Canada Power Commission Act so that northerners can run the commission themselves through the territorial councils?

It is fine and dandy to bring in this bill which gives a couple of part-time jobs. I understand each member of the board is paid something like $100 per day, plus expenses. It works out to about 10 or 12 days each year, so that brings about $500 or $600 into each territory twice a year. But the government has not introduced a bill to do something about the extremely high cost of living in the north, although the figures are very easy to check when one looks around the towns of the north.

This bill is all very fine and we appreciate the couple of jobs it will create. I cannot see any opposition to this bill so I will not waste the time of the House, Mr. Speaker.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I think the parliamentary secretary probably knows that I had charge of this particular operation one time when I was minister. I should like to speak on a couple of points that might be of interest to the Historic Sites and Monuments Board. I think everyone here realizes that a place that does not have a history does not have a future. We have not been the most active country in the world to preserve our history, but in all fairness, within the limited amount of funds provided to the Historic Sites and Monuments Board there has been a fairly comprehensive effort to preserve some of the physical evidence of our short history.

I should like to mention, in addition to those monuments where certain things happen, a couple of things that I think should be brought to the attention of the Historic Sites and Monuments Board that could make their work a shade more fruitful in the next year or so. The first thing I should like to draw attention to is the Centennial Series. I know it will shock the House to learn that Canada has never had a series of history texts which recount our history and is written by Canadians. We were always forced to use British books, the Cambridge History Series. Volume 6 dealt with Canada. In 1957, after discussions with the Historic Sites and Monuments Board, a target was set for centennial year for a history of Canada done by Canadians. It was to consist of 18 volumes, each written by a leading expert under the over-all management of Dr. Morton and Dr. Creighton. This was the decision of a group of people who turned the work over to these two people. I do not know whether the parliamentary secretary has seen any of these volumes, the most recent of which by Dr. Creighton was issued last fall.

I would like to suggest to the parliamentary secretary that he could serve Canada well by finding out why the missing volumes were not published. I know why: we calculated a certain amount for the grants, which came from a source other than the Historic Sites and Monuments Board, but we did not foresee the inflation of the last few years. It now costs nearly twice as much to produce these books which have a limited readership—hence the delay. The other reason, I suspect, is the question of the work, in one case, and I think the Historic Sites and Monuments Board should attempt to solve that problem.

I make no apology for bringing up this subject nearly 20 years after its inauguration. It annoyed me as a school teacher to realize the basic sort of information I had to use in teaching Canadians was that their own history was work by English writers. We tried to correct that situation in 1957, almost 20 years ago, by setting 1967 as the target date for the completion of the series, in time for the centennial celebrations. We could not meet that target because of cost and other factors. I say that we should complete that series in 1977. It should be made known to every school board and every school room in this country that there is a series of history text books concerning every part of Canada and every period of our history. This has never before been available. I have learned from talking to teachers that many of them have never heard of this series.

● (1540)

Since the government is spending millions of dollars publicizing many of its programs, why cannot they allow the Historic Sites and Monuments Board to publicize the existence of this history series? It was begun before many of our present teachers were teaching, even before some of them were born. I advise hon. members on the government side to read the last volume by Dr. Creighton, "The Forked Road", to learn where they went off the track. These books are an authentic history of our nation and have been written by Canadians. At least we should make them available to teachers. They are not the type of reading material you give junior grade students. The books are based on authentic documents of which teachers of history and students should be aware. I know that not many volumes will be bought, and I regret that as a nation we are not literate; only a small percentage of our people are truly literate in the sense that they read serious material.

The second matter I shall mention briefly has to do with the activities of the geographical names committee. That committee selects the names of Canadians who have played a prominent part in this nation's life and applies them to certain physical features such as mountains. It has been the rule that only physical features in this country can be so named after the person's death. That rule is occasionally broken by the provinces because they, too, are empowered to name certain geographical features.

I ask the Historic Sites and Monuments Board to consider the questions I am raising. We wanted to honour, say 15 or 20 years ago, those who were then prominent on the Canadian scene. When they were active their profile was high. Unfortunately, after a person dies, for a long time after death his profile becomes low in the public view. We tend to forget what such people did 15 or 20 years ago, and tend to forget the tremendous contributions to this country they made during their lifetimes. In other words, I suggest that the parliamentary secretary or the minister should remind the Historic Sites and Monuments Board that it must consult with other groups, such as the geographical names committee, which comes under another department, in order that we may reassess periodically the names applied to certain physical features of this country.

I am well aware of what is happening in the Arctic Islands, and of the new names which have appeared in recent years. I think they are well deserved. I do not say this because the name "Hamilton" has appeared in the centre of Ellesmere Island. That name is there for a good reason—and it is not to honour me. It honours one who did substantial work in that area. I simply say that it is up to the Historic Sites and Monuments Board, and committees like the geographical names committee, to keep alive and vibrant the memory and names of those who served this country. The rule, by and large, is that we are not to use the name of any person living. Unfortunately, people once prominent tend to adopt a lower profile in the last years of their lives, and they tend to be partly forgotten. We must remember to honour them by naming after them certain parts of our geographical country, to remind the people of the north or other parts of Canada of work done in resources development and other fields.

Perhaps I could mention a couple of other points usefully, since we are not often given the opportunity to discuss this subject. I think the House is anxious to pass the bill. As I say, the minister must make certain that the Historic Sites and Monuments Board knows that members of this House want it to do its job and to record in physical form the history of our nation, a history which is short but of which we can be proud.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I, too, want to take a few moments to speak on this bill. Obviously, there is general support for it in the House, and rightly so. The present debate gives hon. members a parlia-

mentary vehicle for airing grievances about the operations of the parks division of the Department of Indian Affairs and Northern Development. I am fortunate enough to have in my constituency one of the most historic sites of Canada and certainly one of the most scenic and commanding sites of this country, Signal Hill national historic park. The park was established by the government of Canada in 1957, as one of the first acts of the Diefenbaker government, which adopted the recommendations of its predecessor, the St. Laurent government. Following the establishment of the park as a national historic site, development has lagged considerably, which is the point of the grievance I wish to put forward today in my representation to the minister.

Briefly, by way of historical background, Signal Hill national historic park is the site of the last armed conflict in North America between the forces of France and Britain which fought for a foothold on the North American continent. The site has long been recognized as an historic one. During the colonial administration of Newfoundland, prior to confederation, it was recognized as an historic site by the dominion government of Newfoundland. The most commanding feature of the site is Cabot Tower, which was completed in 1897 during Queen Victoria's jubilee to mark the four-hundredth anniversary of the founding of Newfoundland by John Cabot.

In addition to the early historic significance of the park in relation to colonial wars for the possession of that part of North America, the park is significant in that later, more contemporary historic events took place within its confines. For example, in that park was received the first wireless message sent across the Atlantic by Marconi in 1901. It has been associated with many other historical events to do with development of modern telecommunications, by virtue of the fact that it is the nearest point of land in North America to Europe. The distance between the west coast of Ireland and Cabot Tower, which is located near Cape Speare, is relatively short, shorter than the distance between Winnipeg and St. John's. For that reason the park has lent itself to the development of telecommunications and wireless communications in Canada. Apart from the erection of the Cabot Tower which was the site of a wireless station that was operated until a short time ago, very little took place until the establishment of the park in 1957. Following that, development, paradoxically, lagged considerably.

● (1550)

I remember one event that took place in the late fifties during the administration of the right hon. member for Prince Albert (Mr. Diefenbaker). One of the oldest existing buildings left intact at the site was a barrack building which was part of the fortification known as the Queen's Battery. It commanded a very strategic view of the entrance to St. John's harbour. I believe the building was a couple of hundred years old. I am speaking from memory. I am not sure of its precise age, but it can easily be verified. It was occupied by a man and his family who had been living there for a considerable time. The circumstances surrounding their use of the building are rather vague to me at this time. However, what is important is that as long as they were there, they provided the building with a caretaker and maintenance: the building was a living building; it was lived in and looked after by this family.

The bureaucrats in Ottawa, without advantage of having been there, decided that this would not do. They decided these people could not stay there. Without having one alternate plan of their own as to the development and restoration of these old buildings, and that building in particular and the fortifications surrounding it, they decided, against my protests, that these people would have to be evicted and they were. A short time after, the building was burned to the ground. That was a great tragedy. We lost that building, and to date—over 15 years later—it has not been restored. The building still has not been rebuilt notwithstanding the fact, in my estimation, it was because of the negligence of the department that the building was destroyed in the first place.

It is interesting to note that the St. John's *Daily News* of Friday, December 17, carried an advertisement over the signature of the area superintendent of historic parks and sites. The ad asked people to come forward with old photographs of this very building. Apparently they do not even have a photograph of the building, let alone any part of it which survived that fire. That is the kind of thing which has irritated the people of St. John's and the many hundreds of thousands of Canadians and other North Americans who had the pleasure and thrill of visiting this site.

Last year the number of visitors to the site reached the one million mark. In fact, there were over one million visitors to the site last year. I am told that this year they will also surpass the million mark. Next year, because of the Canada summer games which will take place in St. John's, a very sharp increase in the number of visitors to that park is anticipated. However, the total expenditure on the site for 1975-76, covering capital construction, maintenance and operating costs, was less than $300,000—$278,000. By comparison, for the same year, 1975-76, the fortress at Louisburg, an equally historic site that is visited by many tourists, the total expenditure was almost $4 million. The total for the same year for the Halifax Citadel was $582,000. That site is equally prominent in historic importance.

A decision has been made and an announcement released that it is the intention of the government to spend $20 million on the restoration of Citadel Hill in Halifax. I applaud that decision. It is a very progressive and wise move on the part of the government because Citadel Hill is a beautiful historic park, one that commends itself to restoration. However, what is wrong with historic Signal Hill in St. John's? Why can we not get some of that development capital for restoration to at least put that park back in the position it was before one of the lone surviving historic building, dating back to colonial days, was destroyed by fire because of the negligence of bureaucrats in Ottawa who did not see fit to provide a caretaker for that building? It has caused us to wonder.

I believe the importance of the park can be measured by the number of visitors, over one million last year. That compares

with Louisburg where there were less than half a million visitors. Even Citadel Hill had less visitors.

The restoration of the fortress of Louisburg is something in which all Canadians can take pride. Indeed, at the time the decision was made to restore Louisburg, it was done as an act of great humanity because of the terrible economic conditions that prevailed at the time on Cape Breton Island. The restoration of Citadel Hill can equally be applauded as a very wise and progressive move. However, I say to the government, why not get on with the development of Signal Hill historic park in St. John's? This is one of the most beautiful historic sites in Canada, and certainly one of the most neglected historic sites in the country.

I appeal to the minister to visit the site. He will see, in a very dramatic way, exactly what I am talking about. All that has been accomplished since the designation of the site as a national historic park is a certain amount of landscaping—not a great deal. Less than $3 million has been spent there, since 1963, on everything. A very unattractive, badly designed visitors' centre was built. It does not lend itself to the area, the park or the surrounding environment of the old city of St. John's. However, at least they built that. Work then stopped. They seemed to have drawn a blank. Signal Hill seems to have been declared a non-entity in terms of receiving the attention of the planners and the department and in terms of expenditure on the development of that site.

● (1600)

The people of my province, more particularly the people of my city, take a great deal of pride in Signal Hill park. It is one of the advantages we have, living in the beautiful old city of St. John's, that we are able to go to the top of the hill and look out over the vast expanse of the North Atlantic, knowing we are standing on the most easterly site of the North American continent. We take pride in it and we are concerned about the government's attitude toward it. I can assure the minister that the sentiments I have put forward today would be echoed by all the people of St. John's—by the daily newspapers, the television stations, the municipal government, the government of Newfoundland and the hundreds of thousands of Canadians who have taken the opportunity to visit this beautiful park.

I urge the government to discharge its responsibility to this most ancient of historic sites by getting along with the development of the area and carrying out badly needed restoration work on the old buildings. By all means develop Louisburg; but let us not forget Signal Hill.

Some hon. Members: Hear, hear!

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I do not intend to prolong the debate to any great extent. We are, of course, delighted that the government has finally consented to appoint some representatives on the board and concern itself with the national historic sites and monuments in our country, particularly in that great part of our country which is north of the sixtieth parallel. I want to say a few words about another great region of Canada. It should be no surprise—it has never been any surprise to me or to those of my colleagues who represent the vast areas of northern and central British Columbia—that as far as historic sites and monuments are concerned we should get no better consideration in this respect than is given in other directions such as transportation, communication facilities and public services of all kinds. People up in that country have always been second-class citizens. We have never considered ourselves as part of Canada. As a matter of fact, I sometimes wonder when British Columbia ever did become part of Canada. When I look at historic sites and monuments, I find myself asking how many of my colleagues here or, indeed, how many citizens of eastern Canada, know anything at all about those brave explorers who opened the road to the west, the activities of the Hudson's Bay Company, and so on.

One has to stand on the bank of the mighty Peace River to get the feeling which must have inspired those early explorers who wrote in their diaries about the splendour and the natural beauty of the scenes they witnessed, the abundance of wildlife, the friendliness of the native population they encountered in the search for access to the Pacific Ocean. One has to travel the trails which go from Dawson Creek to Fort McLeod, from Fort Saint John to Fort Nelson, or take a canoe to travel the lake district of Central British Columbia, where the natives have carved out an existence since time immemorial, to appreciate what must have been in their minds. Yet there are no historic sites or monuments of any significance in that part of the country. Those of my colleagues who have read the logs of Fraser and McKenzie, who know the great rivers, the Columbia, the McKenzie and the Fraser as well as the fast-flowing coastal rivers, the Skeena and the Stikine, will realize that this is an omission for which there can be no excuse.

I have spoken about this often in committee. I have had private conversations with the minister asking him to encourage the board which reviews applications made to it and considers plans to preserve historic sites. My heart bleeds when I look at the old fort at Fort Saint John and see another log carried away, another log floating down the river having been torn away by pranksters. I wonder whether people in the east are interested at all in this great chapter of Canadian history. I have worked with citizens groups, particularly in the Fort Saint John and Fort McLeod area. We have spent hours and hours, days and days, years and years, trying to persuade someone, either in the provincial or in the federal government, to establish some kind of point of recognition for the benefit of people who traverse that great highway to the north known as the Alaska or the Alcan Highway, 1500 miles of wilderness road. Yet there is no indication of any kind that the national government is interested in explaining or documenting the history of this spectacular region.

I realize, Mr. Speaker, that I have gone somewhat beyond the scope of the bill. But let me say this. If the people who are to be appointed from the territories and who will, I suppose, make recommendations about commemorating the history of the territories, the history of the Arctic Ocean, are not able to make a contribution any greater than that of the person who

has represented central northern British Columbia, we are wasting our time here. I am glad that both my colleagues from central and northern British Columbia are in the chamber this afternoon. I have desperately searched for any contribution to the debate in recent years with regard to this matter, one which has always been of concern to me. I have not discovered that there was any great interest. I merely rise to serve notice on the minister that if the representatives from the northern areas are not allowed greater input into the policy-making of the department in establishing historic sites and monuments, they will be wasting their time and we shall be wasting our time in the House this afternoon.

I regret to take this attitude. I know the minister is interested in the subject and that he is concerned, as many of us are, to preserve a number of the sites which are still in existence. The history of the white settler, of course, is not an ancient one in the region of which I am speaking. I know the minister is concerned about recapturing some of the stories which are documented in archives and libraries and which have been left to us by these great explorers. But he will need better co-operation from his colleagues on the government side. It will take a little encouragement from the government side. This is not a very expensive undertaking. There are a lot of people in the area who would, with a little encouragement, spend countless hours helping to recreate some of the stories which have been almost lost. A book has been published by just such a citizens group of which I speak in the Tayler and Fort Saint John area of my constituency. It is called "The Peace Makers of the Peace." I spent tireless hours trying to get a little help by way of a Canada Council grant. After all, it was a local publisher who printed the book and it was a local citizens group who produced it—senior citizens, mainly, had compiled the information and told the story. But there was no response. It would seem as though the sparsely populated areas of our country have little input into decision-making of the kind we have been discussing.

● (1610)

I hope the minister will take my comments to heart and will be a little more receptive to the ideas I will advance and that have been advanced by my constituents and the residents of the great coastal area of northern British Columbia. I hope he will join with us in our efforts to give greater recognition to that part of our history that I consider to be the most colourful and most significant in the evolution of our national development.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I could not help but notice the fact that of all of us on this side of the House who have spoken during this debate, three including myself, are from the province of Saskatchewan. That is an indication of the great interest we in Saskatchewan have in this whole topic of historic sites and monuments. We are glad the government has brought forward this bill. Although it has very few provisions, dealing, as it does only with the structure of the National Historic Sites Board, this does give us an opportunity to comment about the constructive suggestions we on this side of the House have made to the government. This is an area in which the government is in need of our assistance to develop policies and ideas relating to all elements of the board's activities.

My colleague, the hon. member for Moose Jaw (Mr. Neil) was good enough to mention that in Saskatchewan we have a number of historic sites and areas of great significance to our Canadian history and development. He referred to the historic sites at Duck Lake, at Batoche and at Fort Carlton, all of which are within or immediately adjacent to my own constituency. One part of a proposed redistribution that saddens me very considerably is in respect of this area. It is to be deleted from my constituency. Although it will be well represented in the future, as it will form part of the constituency of Prince Albert, which will continue to be represented by the right hon. member, I must indicate my personal sadness as the result of the deletion of this very historic area from my constituency. I refer to that area which also includes the Fish Creek national historic site, Duck Lake historic park, Nesbit provincial forest, the historic towns of Rosthern and Laird, and the Indian reserves lying therein of Beardy's, Okemasis and One Arrow.

I know that these names as I recite them will bring forward recollections of a very important part of our history, particularly as it relates to the 1885 northwest rebellion which had such significance in the development politically, and in other ways, of our country.

I have just given an indication of some of the historic sites located within a part of my constituency to show that this bill gives me an opportunity to rise and bring forward representations to the parliamentary secretary, who I am sure will be back in a moment, on behalf of the citizens of the area who have, through their own initiative, developed some very incredible museums and have worked to develop the area on the basis of a neighbourhood concept, linking up these national historic sites with the idea of co-operation among the communities, allowing the people from across the country to visit the area and see the precise locations of some important events and occasions in terms of Canadian history.

Part of the investigation now taking place involves different levels of government. We have a study authorized by the Department of Regional Economic Expansion, on the part of the federal government, as well as a study authorized by the appropriate department of the province of Saskatchewan, the department of tourism, I believe, prepared by Mr. N. Dyck, M.A., entitled "Saskatchewan Rivers Heritage Complex: A Preliminary Investigation and Overview for Future Development". There has been a summary of this study, which is at present in the hands of the provincial government, if not the federal government, prepared for distribution to interested people and agencies. It is a very definitive study made of the potential of this area.

The summary leaves out some very important information which has been investigated and developed by Mr. Dyck. I know that if the people of the area involved had access to the entire report they would be better informed and better able to advise different levels of government as to the best possible use

for the development of the area in terms of retaining the historic value in years to come. The report points out that one of the most striking features of the Saskatchewan rivers heritage complex is the very large inventory of important historic sites, locations and institutes.

Mr. Dyck points out that together with the area's interesting natural history and setting, to which I have referred, this area constitutes a heritage resource in the broadest sense of the term. The importance of this area included in the complex has certainly been appreciated by scholars, laymen and government departments for many years. Canadian historians recognize this area as the place where treaty No. 6, the most important treaty signed in Canada between the Indians and the Crown, was negotiated; where Louis Riel and the Métis people made their stand in 1885, where Seager Wheeler, the Canadian wheat king, achieved his triumphs in grain growing, and where many other important events and themes of Canadian history have unfolded.

This area attracts an amazing number of visitors from within and without Saskatchewan. During the past summer I travelled through my constituency in order to speak to the people. I had occasion to travel this historic area and trace out the course of General Middleton's march and engagement at Fish Creek. I saw the location of Batoche and some of the historic buildings and the museum in the area.

As has been pointed out by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), we in Canada really do not do a very good job of taking pride in and maintaining the history of our country. I think this is a very important endeavour and should be very high on the priority list of any federal government interested in maintaining a sense of Canadian unity and federalism. More importantly at this time than at almost any other, we should be paying attention to those parts of our history with which we can feel a sense of reality and development. We look back to past events which were difficult at the time, such as an outbreak of fighting, but it tends to bind us together rather than tear us apart. For example, the Americans spend a lot of their time talking about and looking back at their civil war, but over the years the United States has become stronger and more unified. So while we may regard the northwest rebellion as an unfortunate part of our history, it was nevertheless a fact of life, one which we can now look back on as the basis for and beginning of the development of Canada as we know it today.

● (1620)

I have had the chance to go through this area and to travel somewhat more leisurely than is the case when the House is sitting, and I was amazed at the kind of development that has taken place and at the participation and pride of the local people of the area. But many things remain to be done. Access to these historic sites and the development of historic sites can be very greatly improved. If the minister and his parliamentary secretary have an opportunity to visit this particular area, they will see great scope for development. I think there is no question that there will be development; but the real question at this time is how individual sites are to be developed, by whom and when?

It is incumbent on the government to examine this area very seriously with a view to making some decisions which will put into effect a co-ordinated plan to develop the area for generations to come. I, personally, have been involved in hosting representative groups from my constituency which came to Ottawa. I think in particular of a delegation from the Duck Lake and district board of trade which is interested in promoting a museum in the Duck Lake area. I arranged some meetings with various government departments to see whether any assistance might be available. I might say that I have had good co-operation from these government departments and the public servants in those departments. Quite frankly, I think development will require governmental initiative in the sense of cabinet initiative in order to put this project in its proper place.

The major decision to be faced by the senior government, which is the federal government, as well as provincial and local governments, is how they will expand from the foundation that has been laid down and which has proven successful in the past. The second matter to be decided is whether they will design and co-ordinate their future activities in the area in order to achieve the most suitable form of development, not only for individual sites and projects but for the complex as a whole.

The fact of the matter is that this is another of the situations that we in Canada face from time to time which involves not only one level of government but three, the federal government, the provincial government and the local or rural municipalities—the municipal governments in the towns and villages. These must be involved in the co-ordination that must take place if we are to assure the proper development of this area. I hope the minister and his parliamentary secretary will undertake to pay special attention to this and will give this development the initiative it so richly deserves.

I want to place before the parliamentary secretary one or two brief points. I am not going to take a lot of time, but it is important not only to my constituency and my province, but to Canada as a whole that these developments take place wherever possible. Quite frankly, I do not think a very substantial outlay of money is involved, and at a time of restraint I understand the restrictions placed on government spending. On the other hand, it seems to me that if the initiative on the part of the federal government is well warranted, attention must be paid to some of the points I want to make which have already been set forth by Mr. Dyck in his report.

There is considerable potential for further development of heritage resources and associated visitor services and facilities in the Saskatchewan rivers heritage complex. It has been pointed out that this is a unique area, for located within it are a number of heritage institutions, sites and resources. It is a part of Saskatchewan that we often forget, a part where the prairie wheatlands meet the tree line and rolling hills of northern Saskatchewan which eventually turns into the pre-Cambrian shield. It is a part of Saskatchewan which has

terrific development potential because of the range of heritage resources included in the area. Notwithstanding the fact that they are numerous and diverse, Mr. Speaker, they are still complementary. There are possibilities for effectively utilizing heritage resources as the basis for development of some innovative tourism and recreational activities.

It has been pointed out to all levels of government that there is a cultural and educational value in the development of this area. This complex has been recognized by educational authorities as an area of considerable value, and more extensive use of the parks, sites and institutions in the area by school groups, historians and others interested in the history of this country would be certain if heritage development were undertaken.

One final point in the rationale for the development of this particular area, Mr. Speaker. I know I have the support of my colleague for St. John's East (Mr. McGrath), and for Victoria (Mr. McKinnon). They always support these worth while projects.

Mr. Beatty: And the hon. member for Wellington-Grey-Dufferin-Waterloo.

Mr. Hnatyshyn: Yes. I am sorry the hon. member for Parry Sound-Muskoka (Mr. Darling) is not here, because he has always been a great advocate of the development of the tourist industry. Here is another area where there is potential for tourism unlimited. However, one of the problems in this particular area has been the fact that it is relatively inacessible. Indeed, it was only last fall that we were able to induce the hon. member for Skeena (Mrs. Campagnolo) to visit the Beardy's reserve in her capacity as parliamentary secretary. She will be able to tell the House in the course of her participation in this debate about some of the difficult roads she had to navigate, unless she came in by DND helicopter.

Mrs. Campagnolo: The roads there are a lot better than they are in my part of the country.

Mr. Hnatyshyn: Then the minister has a full appreciation of some of the difficulties of accessibility. She points out that the difficulties are similar to the difficult roads in her constituency.

Mr. McGrath: She has a difficult road anyway.

Mr. Hnatyshyn: When the minister was a parliamentary secretary she went there to attend an important event on the Beardy's reserve. She enjoyed herself and we enjoyed having her there. I welcome her back to that part of my constituency. She certainly impressed those she met and spoke to on the occasion of that special event.

Mr. Symes: Don't be so patronizing.

● (1630)

Mr. Hnatyshyn: I speak the truth. Everyone who has met the minister was very impressed. The fact is that she made a very fine impression. I do not think it is being patronizing to say so; it is being factual.

To get back to the point I wanted to make on the representation I am making to the parliamentary secretary, let me say that I believe there is a potential for tourism in the area. Accessibility to it has been difficult due to the relatively underdeveloped state of the resources in the area, the extremely poor state of the roads and facilities there and the almost total lack of publicity for the historic sites in the area. In spite of this, I want to bring to Your Honour's attention the fact that about 25,000 tourists made the effort required to visit the area in 1974. That is a substantial number. Without a development program to rectify the situation, the number of tourists in the area is certain to increase in a substantial manner.

The tourist activity is an important one, but so is the educational aspect of visiting the area. Therefore, I want to commend to the parliamentary secretary the report that I referred to and the representations that have been made by the citizens interested in the area regarding meaningful initiatives being taken now or in the near future with respect to the development of the area which is now referred to as the Saskatchewan river heritage complex.

I would like to bring my remarks to a conclusion by listing briefly some of the important heritage resources we have in my constituency. First, I would like to refer to the historic site at Batoche, now known as the Batoche national historic site, and the Duck Lake provincial historic park to which I referred earlier in my remarks. In the town of Duck Lake itself is to be found the Duck Lake museum, a marvellous place with relics and mementos from the north-west rebellion. The museum was initiated by a grand old man from Duck Lake, Mr. Fred Anderson who, through his own personal dedication and hard work, started this project which has now been taken up by the people in the Duck Lake area and developed into a first-rate museum. However, it needs assistance, and I made representations in that connection to the museums branch of the Department of Secretary of State. We hope that some assistance will be granted for the maintenance of that wonderful museum.

There is also the Fort Carlton historic park. History springs out of these names. When I refer to them, Mr. Speaker, I know you will recall part of the important history of the west and of Canada. There is the Rosthern cultural museum located in that wonderful centre in my constituency. There is the Fish Creek national historic site, which includes Middleton camp and the Fish Creek battlefield. I travelled through those areas this past summer. They are incredible places where one can still pick up shell remnants and different parts of equipment of the Middleton troops which engaged in battle. One can find arrowheads and other interesting mementos of that time. Of course, we all realize that one cannot remove these particular items from the national historic site, but the fact is they are still lying on the ground; they are still there as part of the living history. Then there is Gabriel's crossing in remembrance of Gabriel Dumont; there is the Batoche river crossing, and the South Branch House of the Hudson's Bay Company. I have already referred to the leading Canadian grain grower, Seager

Wheeler. There is the Carlton trail-marker and the Almighty Voice, a plaque in honour of this historical person.

There is the Duck Lake battlefield, the treaty No. 6 marker, the Fort Carlton marker, the Rosenorth Church marker, the Gerhard Ens-Seager Wheeler marker, the Nisbet provincial forest reserve, the prehistoric archaeology and the complex. This is an interesting part of Canada. There are the unmarked fur trade posts, the Almighty Voice grave, and the St. Laurent shrine, which is located near Duck Lake, the Qu'Appelle Long Lake and Saskatchewan railway line now operated by the CNR, and Seager Wheeler's Maple Grove farm. It is an incredible list of historic sites, monuments and institutions. There is the Rosthern experimental station and, finally, numerous historic buildings throughout the proposed complex.

I have touched in a brief form on some of the important historical and other places in my constituency. As the hon. member for Prince George-Peace River (Mr. Oberle) indicated, there were few, if any, national historic sites in his constituency and in northern British Columbia, but you can see that in my constituency alone we have a number of national historic sites. Hence the great interest I and the people in my area have in this bill.

Again I ask the parliamentary secretary to take back to the minister, to the department and to the National Historic Sites Board the expression of my constituents' concern that this area will be given the initiative and development that it deserves so richly. I hope the parliamentary secretary will in fact initiate an inquiry through his minister to his colleagues in the cabinet who have responsibilities for other departments which might affect the development of this complex so that we can proceed with the development of this historic complex of which we in Canada can be proud and which we could leave to our children and those who follow us a feeling that we have preserved a very important piece of Canadian history.

I want to thank hon. members for bearing with me and listening to the comments which I have made today with respect to what I consider to be a most important area in my constituency. I hope the parliamentary secretary will be able to encourage that initiative which we would like to see taken in this area.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I want to make a few brief comments with regard to Bill C-13 which the House is debating today. I think it would be appropriate for me to say at the outset that it would have been difficult for me to have been in the House in the course of the last several minutes and to listen to my colleagues from various parts of the country speak without being struck by the pride which they have in the areas which they represent and without developing an increased awareness of the tremendous contributions which have been made to Canadian history by people from all parts of Canada.

I think that if there is one important core to the debate today, it is that we as Canadians have a tremendous history which we often overlook. Often our children in school find that the Canadian history, because it is not marked by bloodshed and by successive wars, is dull compared with the history of other countries. But I think that if we read our history and develop an increased awareness of our roots and of our origins, we cannot help but have a great deal of pride in our past and in our heritage. If we are to do a proper job in the future of safeguarding our heritage and moving society in a direction desirable to all Canadians we must develop an awareness of where we came from. This is why the work which is done by the federal government in terms of preserving and restoring national historic sites is a very vital function of the national government.

• (1640)

I want to say at the outset that I support the very simple principle behind Bill C-13, which is simply to increase the number of members of the Historic Sites and Monuments Board from the current 15 members to 17 in order to allow representatives from the Northwest Territories and from the Yukon Territory. It would be difficult for any hon. member of this House to be opposed to that principle because it is important that we have representation from all parts of the country.

In addition, as my hon. colleagues have said before, it is probably worth-while to deal briefly with the question of the way in which the government is functioning at the present time when it comes to the recognition and preservation of national historical sites, because this country is rich in historic sites: it is rich in history, and it is important that we do whatever we can to ensure that our children have the heritage, which has been passed on to us, maintained for them.

When we travel abroad or to other countries, we cannot help but be struck by the awareness people have of their own history, the pride they have in events which have taken place in their countries and their knowledge of the historic sites in their countries. A good deal of the credit for that must go to the respective national governments which have taken action to ensure that national historic sites are not lost, that they are properly publicized and that they are maintained for generations to come. Anyone who travels through the United States, for example, cannot help but be struck by the tremendous number of historic sites which have been recognized by the national government and by the individual states. I think it would be worth-while for us to follow the example of other countries and to give increased emphasis to the preservation of our national heritage.

I was first elected in 1972, and it is very difficult for me not to be overcome at times by a sense of humility when I study the history of my constituency and consider some of the great Canadians who have represented my area in the federal parliament. Since we are talking about historic sites, I think it would be worth-while for me to mention some of these people briefly. It was a tremendous responsibility for me to succeed Mr. Marvin Howe in 1972. He was a very distinguished member of this House. Mr. Howe followed in the tradition of a number of other distinguished Canadians who have left their mark on our national heritage. I would like to mention just a few of them.

One member who used to represent part of my constituency was the Hon. George Drew, the former leader of the Progressive Conservative Party and the former premier of Ontario.

Another is the Hon. Earl Rowe, a former lieutenant-governor of Ontario and a national figure of great consequence. He once represented the Dufferin county portion of my constituency. The Hon. Walter Harris was minister of immigration and minister of finance in the St. Laurent administration. He once represented portions of Grey county of my constituency. He was another great Canadian who made a tremendous contribution to our national heritage. His successor, Mr. Eric Winkler, was the chief government whip in the days of the Diefenbaker administration. He was also once the government House leader in the province of Ontario, and he represented portions of my constituency. Of course, there was Mr. Farquhar Oliver, who was the youngest person ever elected to the Ontario legislature, and he holds the record for political longevity in the Ontario legislature. He represented the Grey county portion of my constituency.

There are two other names I want to mention because they should be dealt with, particularly today. These are the names of distinguished Canadians whose contributions to Canada are recognized by people from all parts of this great country, but their contribution to my area has not been properly recognized by the federal government. The first is the late Agnes Macphail, who was the first woman ever elected to the Parliament of Canada. Anyone who has read Canadian history must be aware of the tremendous pioneering work which was done by the late Agnes Macphail. She was elected from the Grey county portion of my constituency. She lived there most of her life. The reason I mention her today is that earlier this year I was contacted by citizens in my area who are concerned that the Agnes Macphail home in Ceylon, Ontario, may very well be lost if action is not taken immediately to purchase it and maintain it as an historic site.

A tremendous amount of credit is due to Mr. Ivan McWilliam of Deep River, Ontario, who wrote as follows to a number of members of parliament and also to a number of government officials in May of this year:

> I am writing to request that federal money be made available to buy and restore the house and grounds, the whole to become an historic site. A great deal of the Macphail memorabilia is still to be found within a short distance of Ceylon, so that with some effort the site could be restored to its 1930-1940 period, even perhaps to the presence of a green 1941 Chevrolet in the garage!

Since the letter from Mr. McWilliam there has been a series of correspondence between myself and a number of officials in the federal government, and I have been urging the federal government to take action to purchase this historic site which is up for sale at the present time because the previous owner of the house died recently. I was a bit disquieted when I received a letter in reply from the former minister of Indian affairs and northern development, dated June 25, 1976, saying:

> Before we can become involved in the purchase or preservation of any property, I must first have declared it to be of national historic or architectural significance. I would consider doing so only if my advisers on these matters, the Historic Sites and Monuments Board of Canada, were to recommend this. According to the criteria set by the Board, a building must have been closely associated with events which, or persons who, have contributed significantly to Canada's history.

What surprises me about the minister's reply—although I was pleased he was asking the Historic Sites and Monuments Board to take a look at this and to make a recommendation—is that the recommendation should even be necessary because surely it should be self-evident to anyone who has ever sat in parliament that few Canadians have made a greater contribution to their country than the late Agnes Macphail. She was a pioneer when it came to social reform; she was a pioneer when it came to prison reform, and a pioneer in recognition of the rights of women in Canada. That should not require that the minister send a request to the Historic Sites and Monuments Board that it determine whether she was a figure of national historical significance. Surely that should be self-evident.

Since that time I have been informed by the Minister of Indian Affairs and Northern Development (Mr. Allmand) that in November of this year the Historic Sites and Monuments Board considered the possibility of acquiring this property, that the minister has not yet been informed of its decision and that he probably will not be able to report back to me as to what action the government intends to take until early in the new year. One of the things which concerns me about the present operations of the board and of the government department responsible for the preservation of national historic sites is that because of the tardiness involved, and because it will be more than six months between the time this matter was brought to the attention of the government and the time we will finally get an answer, it is quite possible that this house could have been lost to the public of Canada. I hope the house will still be available when the government makes its decision, but surely action should have been taken before now.

It is self-evident that this house is an important national historic site. The artifacts are available, the house is available, and I think the suggestion made by Mr. McWilliam, which has been echoed by the Grey County Historical Society in representations it has made to the federal government, deserves to be acted upon.

There is one other historic site in Grey country which was the home of another very distinguished Canadian, and I believe it also should be preserved. I bring this matter to the attention of the parliamentary secretary so that he can bring it to the attention of the Historic Sites and Monuments Board. The speaker who spoke before me, the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) is very proud of the history of Saskatchewan, and one of the Canadians from Saskatchewan who made the greatest contribution to our national history is the right hon. member for Prince Albert (Mr. Diefenbaker), a former prime minister of Canada.

Some hon. Members: Hear, hear!

Mr. Beatty: The people in my area are proud of the fact that they can lay claim to the birthplace of the right hon. member for Prince Albert. Although he is now generally looked upon as coming from western Canada, like every other prime minister of Canada he came from east of the Lakehead.

He was born in Neustadt, Ontario, and his early childhood home is still located there. I was quite disturbed by the fact that the federal government has made no effort to purchase the Diefenbaker home in Neustadt and preserve it as a national historic site. It should be beyond dispute that the individual in question has contributed a tremendous amount to Canada, and I do not think it should require much study to decide that his home is worth preserving.

● (1650)

A couple of years ago a private citizen in my home town of Fergus—a great admirer of the right hon. gentleman—attempted to purchase the house privately in order to ensure that it was saved for the people of Canada. He was concerned that the site might be lost unless action was taken to prevent it. Unfortunately, Mr. A. J. Youngblood was unsuccessful, but he deserves credit for trying. The house may become available in the future and I think it would be worth while for the government to recognize that it should be preserved as a national historic site. I think it should be beyond debate that the two sites in my constituency, the homes of two very distinguished Canadians from Grey county, should be recognized as historic sites and that action should be taken before this part of our national heritage is lost.

In closing, Mr. Speaker, let me again commend to the parliamentary secretary the recommendations I have made and ask him to bring them to the attention of the appropriate officials and ask that early action be taken before these historic sites are lost to us.

Mr. Maurice Foster (Algoma): Mr. Speaker, I should like to make a few brief comments on this bill and congratulate the parliamentary secretary on his speech introducing these amendments to the National Historic Sites and Monuments Act.

I especially want to make some comments concerning Fort St. Joseph National Historic Park on St. Joseph's Island which is located in Algoma. This former national historic site which is now a national historic park is perhaps one of the best examples of an historic site which had a very important part to play in the war of 1812 between Great Britain and the United States. It not only provided a defence for the frontier of Canada, as it was at that time, but also played a very important part in the fur trade in the frontier area, as well as having a very important role in the lives of the native people of Canada at that time. From this site one of the most successful attacks against a United States fort was launched in 1812. Their fort on the Straits of Mackinaw was successfully overcome by the British forces, the fur traders and native people who took part in the attack. Few sites have as much relevance as Fort St. Joseph in the history of Canada.

The fort site also has great potential for the development of natural bird and plant life. Over 600 acres of it was a bird sanctuary for many years and contains a large number of examples of bird, animal and plant life. This magnificent site overlooks St. Mary's River and gives a view of the entire area because of its reasonably high prominence. It has natural beaches for swimming, picnicking and other recreational purposes.

A few years ago, when this was only a national historic site identified by a placque, we established an advisory committee for the development of Fort St. Joseph. There are now 10 or 12 representatives of various community groups on St. Joseph's Island on this advisory committee. I believe they have made a very significant contribution in ensuring that the fort has been developed in the best possible way and in its day to day operations dealing with the thousands of visitors who come to see it. Their contribution is appreciated by the Parks Canada officials who operate the site. I think these people have been able to contribute to the development of this fort site and to ensure that it is historically authentic. There have been several archeological digs in the last three or four years; power and water have been provided and a utility building and an administrative building have been erected. A few weeks ago the Minister of Indian Affairs and Northern Development (Mr. Allmand) announced the construction in the coming year of a $323,000 visitor and interpretative centre for Fort St. Joseph. This will provide a display area for the fort and a small theatre for visitors such as school groups.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: The hon. member for Greenwood (Mr. Brewin)—Immigration—Refugees in Argentina—Co-operation with Amnesty International; the hon. member for Montmorency (Mr. Duclos)—Immigration—Request to accelerate admission of refugees from Chile and Uruguay; the hon. member for Egmont (Mr. MacDonald)—Immigration—Request for explanation of treatment of refugees in Argentina—Actions of United Nations Commission.

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

Mr. Goodale: I rise on point of order, Mr. Speaker.

The Acting Speaker (Mr. Turner): The hon. Parliamentary Secretary to the President of the Privy Council (Mr. Goodale) rises on a point of order.

Mr. Goodale: Mr. Speaker, for private members' hour this afternoon I believe there has been agreement to deal with a

measure which can be disposed of rather expeditiously, Bill C-237. It is not anticipated that the matter will take the full hour.

I understand that there are also few speakers remaining on the subject we were dealing with this afternoon, the Historic Sites and Monuments Act. If it is anticipated that that debate could be concluded in a short time, perhaps we could continue with it without interruption before dealing with private members' business which, as I say, it is anticipated will not take very long either.

Mr. Hnatyshyn: Mr. Speaker, this is a novel point raised by the parliamentary secretary. I have not had an opportunity to consult with my colleagues as I always do with respect to these weighty issues. I was under the impression that the hon. member for Regina-Lake Centre (Mr. Benjamin) would not proceed with his bill; then I learned that he intended to proceed and unfortunately I dismissed from the chamber members of my party who had been ready to participate in the debate on this bill.

● (1700)

Mr. Benjamin: Dismissed?

Mr. Hnatyshyn: Well, I told them they were free to go, but asked them to return at eight o'clock so that we could participate again in deliberations on orders of the day. Perhaps I could consult with the parliamentary secretary after I have had a chance to talk to some of my colleagues. The fact is that we look forward to hearing the hon. member for Regina-Lake Centre, and several members of my party are interested in participating in private members' hour. Perhaps I could confer with the parliamentary secretary after I have had a chance to determine what the situation is on my side of the House.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the general state of flux may I suggest that we call the private member's public bill in the name of the hon. member for Regina-Lake Centre (Mr. Benjamin). If it is disposed of quickly and there is time, perhaps we could decide whether, in the time remaining before six o'clock, we should continue with debate on Bill C-13. I think there would be a general desire not to begin debating another bill between now and six o'clock. Perhaps we should first dispose of the hon. member for Regina-Lake Centre.

[*Translation*]

Mr. Guilbault: Mr. Speaker, I agree with the hon. member for Winnipeg North Centre (Mr. Knowles), except that I would like to hold a discussion now rather than after the debate on the bill of the member for Regina-Lake Centre (Mr. Benjamin) so that we may come back to the orders of the day, since I am convinced that the said bill will take very little time. On the other hand, I would hesitate to carry on a debate on the orders of the day since we do not know exactly how long it will last and government members do not want the bill of the member for Regina-Lake Centre to be rejected for lack of time to discuss it, because it has true merit.

[Mr. Goodale.]

[*English*]

Mr. McKenzie: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Turner): Order, please. The Parliamentary Secretary to the President of the Privy Council (Mr. Goodale) has also risen on a point of order. I shall recognize him and then recognize the hon. member for Winnipeg South Centre (Mr. McKenzie).

Mr. Goodale: Mr. Speaker, I rise on a point of order. It seems to me that the arrangement described by the Parliamentary Secretary to the Secretary of State (Mr. Guilbault) and mentioned by the hon. member for Winnipeg North Centre (Mr. Knowles) is sensible. I suggest that we consider item No. 37 under private members' public bills, Bill C-237 standing in the name of the hon. member for Regina-Lake Centre (Mr. Benjamin), in the hope that the bill will be dealt with expeditiously. We can hold open the option of continuing debate on Bill C-13 once we have concluded consideration of the hon. member's bill.

Mr. McKenzie: Mr. Speaker, I rise on a point of order. I should like to correct what the parliamentary secretary just said. He said, I think, that the hon. member for Winnipeg South Centre (Mr. McKenzie) had been speaking on behalf of the New Democratic Party. I suggest that the hon. member for Winnipeg North Centre (Mr. Knowles) spoke on behalf of the New Democratic Party, not the hon. member for Winnipeg South Centre.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I was about to rise on the same point of order.

The Acting Speaker (Mr. Turner): Is it agreed that we consider Bill C-237 standing in the name of the hon. member for Regina-Lake Centre (Mr. Benjamin)?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADIAN CITIZENSHIP ACT

AMENDMENT RESPECTING TIME OF RESIDENCE

Mr. Les Benjamin (Regina-Lake Centre) moved that Bill C-237, to amend the Canadian Citizenship Act, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Guilbault: Mr. Speaker, I rise on a point of order. I suggest that the second reading motion as put should be amended to provide for the bill to be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts, the committee dealing with the Citizenship Act.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): By unanimous consent, is it agreed that we refer Bill C-237 to the Standing Committee on Broadcasting, Films and Assistance to the Arts, and amend the second reading motion accordingly?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Accordingly, Mr. Benjamin, seconded by Mr. Knowles (Winnipeg North Centre) moves that Bill C-237, to amend the Canadian Citizenship Act, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Benjamin: Mr. Speaker, I appreciate the length of time hon. members on all sides have taken to accommodate me.

Mr. Knowles (Winnipeg North Centre): We did our best.

Mr. Benjamin: I thank colleagues on all sides for their co-operation. My initial comment is this: I am not sure what I am supposed to do, but I will figure it out as I go along. I have been here somewhat more than 8½ years and have placed various private members' bills on the order paper, but this is the first time one of my bills has been called.

An hon. Member: It must be the Christmas spirit.

Mr. Benjamin: It is not only the Christmas spirit; it is also evidence of socialist planning and perseverance.

Mr. Epp: You just blew the bill.

Mr. Benjamin: This bill has been on the order paper for the last four or five years and relates to another bill which has been on the order paper since 1969 or 1970 calling for the removal of the prohibition against epileptics in the Immigration Act. I have entered into correspondence with many citizens who are concerned about this matter and am supported not only by people in my constituency but by people in all parts of the country as well as members of this House of all parties. This bill is consequential to another bill presently before the House, namely, the bill to amend the Immigration Act. The amended Immigration Act will delete the prohibition against epileptics being entitled to landed immigrant status and, ultimately, the right to become Canadian citizens.

My bill would amend the Citizenship Act pursuant to certain sections of the Immigration Act. I am afraid I am not a lawyer and I will not become involved with legal terminology. I have entered into discussions with my good friend, the Parliamentary Secretary to the Secretary of State (Mr. Guilbault), with the hon. member for Assiniboia (Mr. Goodale), and with legal counsel. The more I talked to legal counsel, the more confused I became. I understand that the bill, if the House is good enough to pass it on second reading, will require at least two minor amendments in committee, so that when the new citizenship act is proclaimed on or shortly after February 15, my bill will be relevant to that new citizenship act. As I say, it will have to be amended in committee in two ways. Instead of referring to the Canadian Citizenship Act, it will refer to the citizenship act. Also, the relevant section of the new act will need to be amended so that my bill is not redundant or is not completely wiped out by the proclamation of the new citizenship act. That is what I understand, according to the legal advice I have been offered.

Mr. Knowles (Winnipeg North Centre): Would you now explain what you said?

Mr. Benjamin: Mr. Speaker, I can explain it, but I promised my good friend the Parliamentary Secretary to the Secretary of State that I would not talk too long, perhaps not much more than three or four minutes, because he, too, wants to speak on this bill. Let me remind the House of the history of this bill. It represents the culmination of the efforts of members of all parties, efforts going back a long way in time. I remind the House that the provisions of our immigration and citizenship laws have been somewhat inhumane.

• (1710)

I have a file of correspondence that has accumulated over the past several years. For example, the wife of a pastor of a Lutheran church in Winnipeg whose husband and children could be, and are, Canadian citizens, could not be a Canadian citizen because she suffers from epilepsy. They emigrated from the United States some nine years ago. If you were sitting opposite her at a table and she had an epileptic seizure, you would not notice it; it does not last ten seconds.

Another case involves a university professor who has been here since 1967. In addition to writing books, he occupies the chair on the faculty of an important university in this country. He has been denied Canadian citizenship because he is an epileptic. His wife and children can be, and are, Canadian citizens. They have made a marvellous contribution to this country. I have received correspondence from a person in Ontario. I will not name the place. He filed application for landed immigrant status at the Canadian consulate in Detroit. His application was refused because he is afflicted with epilepsy. I might point out that his last epileptic seizure was some years before making application. It goes on and on. Medical people have told us that this is not a mental illness: it is a physical incapacity; the medication for it even prevents seizures.

My bill states that when the amendments to the Citizenship Act are passed—and I presume they will be with a government majority, if they still have one in February, and if they do not it might be passed with our support—those who have been here on ministers' permits because they are part of a prohibited class, namely, epilepsy, will be credited with their time here.

I notice that the new Immigration Act puts an end to disallowing imbeciles, idiots and morons coming into the country. If the Liberals and Tories need that much more help, we will let them come in. I am only teasing my hon. friends.

After having talked to lawyers, I understand that if my bill is passed those who have been here for many years will be credited with that time. In two of the cases I mentioned, the people have been here for eight or nine years. They would be

credited with at least half that time toward the three-year provision required to obtain their Canadian citizenship. In other words, the wife of the Lutheran pastor, the university professor and the four or five other cases I referred to who have been here on permits long enough would be able to apply for Canadian citizenship on the first day after the passing of the new Immigration Act. They would not have to wait three years, half that time or any length of time; they would be able to apply after the normal three months, which I think is too long, to get their Canadian citizenship. There would be no waiting period for those people.

I hope the House will readily accept my amendment. However, I might caution hon. members not to pass my bill until after February 15. If it passes any sooner, the proclamation of the new Citizenship Act would wipe it out. I am sure it is a rare occasion when an hon. member asks the chamber not to pass a bill until after a certain date. However, I would be most grateful if the House would pass my bill at third reading. I would like it passed around February 16, 17 or 18. Then cases such as those I have mentioned—and there are many hundreds, if not over a thousand—would be able to obtain their citizenship.

May I close with a short quotation from a letter which I found to be somewhat heart-rending. A gentleman who wrote to me stated:

> My wife died of pneumonia in March, 1966, but I have never forgotten the distress she felt at being treated in this cruelly insensitive manner by the statutory regulations regarding epileptics.

Thank you, Mr. Speaker.

Mr. Jacques Guilbault (Parliamentary Secretary to Secretary of State): Mr. Speaker, I wish to thank the hon. member for Regina-Lake Centre (Mr. Benjamin) for having consulted with the Secretary of State (Mr. Marchand) and myself to make us aware of his intentions. I wish to state that his avowed purpose to help those on ministerial permits is worth-while. After having consulted with officials in the department, I might state that we believe the hon. member's purpose is already covered by some sections of the new act. I will read them for the record. I have been trying to convince the hon. member, but he is somewhat reluctant about some legalistic talk. If one looks at the new Citizenship Act, he will find in section 2(2)(b) the following:

> A person who is lawfully present and entitled to permanently reside in Canada shall be deemed to have been lawfully admitted to Canada for permanent residence;

This is found in the interpretation section of the act and covers what the hon. member intends. Section 5(4) of the act which deals with special cases reads as follows:

> In order to alleviate cases of special and unusual hardship or to reward services of an exceptional value to Canada, and notwithstanding any other provision of this act, the governor in council may, in his discretion, direct the minister to grant citizenship to any person and, where such a direction is made, the minister shall forthwith grant citizenship to the person named in the direction.

I recognize that this is not a blanket coverage such as the hon. member is proposing, but nevertheless it can become useful. I submit that the first excerpt of the law that I read would cover the purpose of the hon. member. However, we are willing to send the bill to committee in order to have more time for departmental lawyers and others to appear before the committee. We will then be in a better position to know the exact effect of the hon. member's bill.

There is something I wish to clarify. It does not really matter whether the hon. member's bill is passed before February 15. The new Citizenship Act is already in existence. It is only that it has not been proclaimed. It can be amended. If it were amended today, when it is proclaimed, the whole act as amended would be proclaimed. There is no problem there. I just state that for the record. That being said, we on this side will agree to send it to committee.

• (1720)

The title to Bill C-237 reads, "An act to amend the Canadian Citizenship Act". As the hon. member has said, we would need the unanimous consent of the House to amend the title of his bill so as to read, "An act to amend the Citizenship Act", in other words, to amend the new bill. Do I have unanimous consent to do this, or would the hon. member do it—I do not mind. But it is essential, otherwise we would be amending the old act.

Some hon. Members: Agreed.

Mr. Jake Epp (Provencher): Mr. Speaker, I, too, wish to thank the hon. member for Regina-Lake Centre (Mr. Benjamin) for presenting this bill to us and giving us the great opportunity to bring a matter of great importance to the attention of not only the House but Canadians generally. My intervention will fall into two parts, one of them dealing with the matter which I believe the hon. member has specifically in mind, namely, the provisions with respect to residency as they relate to epileptics. I shall refer specifically to sections 7 and 8 of the 1952 Immigration Act which give rise to some serious caveats. First, with regard to the provisions as the hon. member for Regina-Lake Centre sees them, section 5 of the Immigration Act of 1952, under the heading "The Prohibited Classes", reads:

> No person other than a person referred to in subsection 7(2) shall be admitted to Canada if he is a member of any of the following classes of persons—

Subsection A(4) reads: "If immigrants are afflicted with epilepsy." Section 5 contains a number of other archaic provisions which would be removed by the new act. Turning specifically to the entry of epileptics into Canada, let me point out that at the present time they must enter on a minister's permit. This procedure gives rise to a number of difficulties. The hon. member for Regina-Lake Centre has drawn attention to some of these difficulties. It is imperative that I mention them again. A person who is here on a minister's permit enjoys only quasi-legal status. He is not, of course, a citizen, nor does he enjoy landed immigrant status. He is not here as a visitor: he is in a state of limbo; his status has not been regularized. First, he is not qualified for residency.

Once the new act is proclaimed, the fact that such people are here does not qualify them for citizenship. Consequently, they are postponing the day when they will have the right to vote. They are also postponing the day when they will have the right to hold public office. Another practical consideration is this: they often find themselves in difficulty when they apply for a job because, of course, one of the first questions they are asked is whether they are citizens. When they say they are not, they are asked whether they have landed immigrant status, and their answer must, again, be no. Only two questions remain. One is, whether they are here as visitors, in which case they cannot be employed in Canada; and the other is whether they are here on a minister's permit. The answer, by its nature, indicates that their status is temporary. It indicates that a person does not qualify under the ordinary regulations and his right to hold gainful employment comes into question.

I am sure a number of members have been in correspondence with Mrs. Anderson, a British subject married to a Canadian. She was sponsored as an immigrant by her husband and eventually she came to Canada. Because she suffered from epilepsy, she was not granted landed immigrant status but was given a minister's permit. Mr. and Mrs. Anderson did not consent to this procedure without protest. Mrs. Anderson wrote to me, as well as to other members of parliament, drawing attention to the unfairness of this situation and to the difficulties in which people suffering from epilepsy found themselves. For example, she had difficulty in obtaining a social insurance number when it was found she was here under a minister's permit.

When the joint committee studying the green paper on immigration was touring Canada, representations on this point were made to committee members on a number of occasions. I recall that on one occasion in Vancouver, the hon. member for Saint-Denis (Mr. Prud'homme) and I agreed in public—it is on the record—that we would present a motion which would delete section 5 B (iv) from the Immigration Act. We jointly checked with the then minister of manpower and immigration to ascertain whether it would be possible. He indicated that because of the process in which we were then engaged, that of revising the Immigration Act, he did not want to see the legislation opened at that time. I find it strange that while he did not see fit to open up the act and allow these people to get landed immigrant status on that occasion, he did, nevertheless, find it possible to open the act a few weeks later when the regulations were passed regarding deportation in the spring of 1976.

Again, I wish to commend the hon. member for Regina-Lake Centre and say that members on this side are in complete agreement with the proposal to remove the restrictions presently in the act concerning epileptics. In other words, we would like to see them here as landed immigrants as opposed to being here on ministers' permits. Having said this, I must draw attention to the method by which the hon. member has chosen to bring this matter before the House. Bill C-237 reads in part:

Subparagraph 10(1)(c)(i) of the Canadian Citizenship Act is repealed and the following substituted therefor:

Citizenship

"(i) been lawfully admitted to Canada for permanent residence or under section 7 and 8 of the Immigration Act—

If we check section 7 and 8 of the Immigration Act, we find that section 7 is entitled "Non-Immigrants" or "Persons who may enter Canada as non-immigrants". In other words, these are people who are here on minister's permit. If you read section 7 of the Immigration Act you will find it says in part that the following persons may be allowed to enter and remain in Canada as non-immigrants, and under various sections there is reference to persons who are diplomatic consuls or officers, representatives or officials duly accredited with any country or the United Nations, or members of any navy, army or air force who come to Canada for training. As an example I just have to refer to the training of West German armed forces personnel at Shilo, Manitoba. As I understand the act, for the number of months these people are in Canada training at Shilo they will be qualifying under the provisions of Bill C-237; in other words, they are here under the provisions of section 7 of the present Immigration Act.

● (1730)

I could go into various other classifications under section 7, but I will not do that at this time. What I am trying to point out is that while we on this side of the House are in complete sympathy and agreement regarding the intent of Bill C-237, we must put some caveat on the method by which the bill hopes to arrive at the stated purpose.

I do not want to continue the debate too much longer, so in conclusion let me say that I reserve the right to investigate this matter further in committee. We would like to question officials of the Department of the Secretary of State and of the Department of Manpower and Immigration on the practical implications of including sections 7 and 8 of the present Immigration Act in the new Citizenship Act. Having expressed that caveat, we look forward to studying this bill further in committee.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I will not be very long as our spokesman, the hon. member for Provencher (Mr. Epp), has placed our party's views before the House.

Let me first congratulate the hon. member for Regina-Lake Centre (Mr. Benjamin) for putting his finger on a very sensitive matter. Many of us in our travels across the country as members of the Joint Senate and House Committee on Immigration found there were archaic provisions in the present act which need to be reconsidered. I am pleased to see one of these points dealt with in this bill as it relates to epileptics. The hon. member, I am sure, has every good intention, and I agree with the position he has taken in terms of giving further consideration to the members of society who happen to be epileptic and separated by a sort of non-status atmosphere. The hon. member said he has been here for eight and a half years, so he should recognize that by changing subparagraph 10(1)(c)(i) to include the words "or under section 7 and 8 of the Immigration Act" he will include not only epileptics but at

the same time a whole host of people referred to by the hon. member for Provencher.

The hon. member for Regina-Lake Centre is attempting to remove a frustration. As our spokesman and critic has pointed out, we are in sympathy with the principle enunciated by the hon. member, but we must register some caution in respect of this bill as it now stands.

The parliamentary secretary has indicated there would have to be unanimous agreement in respect of the bill as it is entitled "An Act to amend the Canadian Citizenship Act", but should read "An Act to amend the Citizenship Act" in order to bring it within the four corners of the legislation which has been passed. Unfortunately that legislation has not been promulgated. Many people have asked what happened to the measure. It is of considerable importance, particularly that provision which reduces the time before one can acquire citizenship from five to three years. The minister indicated that it will not be ready for promulgation until some time in February, 1977. I hope there will be no pussyfooting in respect of that date which the minister announced in a press release.

The other thing that disturbs me is that we have not yet seen the bill in terms of the Immigration Act. We all know what is in it. We all know it has been given first reading, but we do not know its precise contents. Perhaps we are a little early in debating this measure as we do not know what position will be taken in the new immigration bill.

An hon. Member: We will see it at the committee.

Mr. Alexander: If the hon. member wants to ask a question I will be pleased to answer, but I do not want to use up my time in that way.

The Acting Speaker (Mr. Turner): Order, please. If the hon. member for Regina-Lake Centre (Mr. Benjamin) wants to ask a question he will first have to return to his own seat.

Mr. Alexander: I was trying to help the hon. member who was interrupting me. We accept the principle of the bill regarding epileptics, but we register some caution in respect of those others who will also be included. We want the bill sent to the committee for the purpose of exploring the implications that will result from the inclusion of sections 7 and 8 of the Immigration Act.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): The question is on the motion of the hon. member for Regina-Lake Centre that Bill C-237 be read the second time and referred to the Standing Committee on Broadcasting, Films, and Assistance to the Arts. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

[Mr. Alexander.]

Motion agreed to, bill read the second time and referred to the Standing Committee on Broadcasting, Films, and Assistance to the Arts.

The Acting Speaker (Mr. Turner): Is it the pleasure of the House to revert to Bill C-13?

An hon. Member: No, call it six o'clock.

The Acting Speaker (Mr. Turner): Hon. members have heard the suggestion that we call it six o'clock. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight o'clock p.m.

At 5.42 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

HISTORIC SITES AND MONUMENTS ACT

AMENDMENT TO INCREASE NUMBER OF MEMBERS OF BOARD

The House resumed consideration of the motion of Mr. Allmand that Bill C-13, to amend the Historic Sites and Monuments Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

Mr. Maurice Foster (Algoma): Mr. Speaker, when we adjourned the debate at five o'clock I was speaking about Fort St. Joseph on St. Joseph's Island in the Algoma riding and the developments taking place there. I has just mentioned that $323,000 has been provided for the construction of a visitors' reception centre and interpretative centre for Fort St. Joseph. This facility will provide display space for the artifacts which have been unearthed at the fort. It will provide exhibit space, and also administrative and visitor service areas will be provided in a new building which is of contemporary design but very well designed to suit a national historic site.

A small theatre will also be provided for the hundreds of school students who visit the fort ruins each year. I think this is an important development because it will provide visitor services, and we do have a large number of student groups visit the fort each year. One teacher who visited the fort, and who pays regular visits to Fort St. Joseph, in a letter to me described it in this way:

It is my opinion that if Fort St. Joseph were reconstructed and re-enactments of drills of the British soldiers, the arrival of Brock's messenger from Penetanguishene, the gathering of the Indians, voyageurs and traders, the departure of Capt. Roberts and his men for Mackinaw Island were to be performed in the site of the reconstructed Fort St. Joseph, it would become one of the greatest tourist attractions in Canada, with all due respect for Upper Canada Village, Fort Henry at Kingston and the changing of the guard at Ottawa.

That is his opinion, Mr. Speaker, and I concur in it.

This fort has terrific potential. There are several needs for the future, and one is reconstruction of the blockhouse. I received tentative approval from the minister that during the next two or three years this will be commissioned and reconstruction of the blockhouse will go ahead. It seems to me that this very important site is rather remote from highway 17, and we often receive criticisms when people travel some 25 to 30 miles to see Fort St. Joseph and all they find there are ruins. With the development of the visitors' reception centre and interpretative centre, and ultimately the reconstruction of the blockhouse and palisade, the casual tourist who is only interested in history in a general way, and especially students who visit the site, will see more than just the ruins.

It seems to me that during the past year or so we have seen a very great increase in the number of visitors. Some 11,000 people visited the ruins of Fort St. Joseph in 1975 alone, and the number has been increasing over the years.

● (2010)

The problem that the historians of Parks Canada have is to get an authentic design of the original fort. They have the original plans, but the supplies that were delivered for the fort at that time do not exactly jibe with the plans. They suspect from this evidence, and from the archeological dates, that the fort was probably not exactly as laid out by Her Majesty's architects in planning it. Research into the original is going on at this time and we are hoping that the reconstruction of the fort will take place in the next two or three years.

It seems to me that it is important on an historic site such as this one to continue the archeological digs. I think this is very interesting for tourists and for historians. During the past year an archaeological dig has been taking place there. Traders' huts which were just outside the fort, the ruins and the basements for them, were unearthed during that dig. There is activity going on at the fort at all times when this kind of work is taking place and when historians and other visitors visit the site. Of course it is important that the ruins be stabilized as they are unearthed.

As I indicated, there is a great deal of interest, not only from the military and historical point of view, but in the fur trade and the trading huts of the company which had a trading post there at the time of Fort Joseph in the 1800's. It seems to me as well that this side needs to be developed from the natural point of view. As I mentioned earlier, there are over 600 acres on this site. There is a terrific potential there for the development of walking paths and trails for people to view the various plants, animals, and bird life that exist on this site which was a former bird sanctuary.

The third area which I think is important for purposes of tourism is the development of swimming beaches and picnic areas.

From the few brief remarks that I have made it becomes obvious that Fort Joseph is not only a very important historic site but it has tremendous potential for teaching students about the history of Canada. I believe that when it is fully developed and staffed it can be one of the most important tourist attractions in Ontario or indeed in all Canada.

I want to express my appreciation to the Minister through his parliamentary secretary, and to the department for the initiatives that have been taken in developing Fort St. Joseph. I hope they will continue the development of this most important historic site.

Mr. Arnold Malone (Battle River): Mr. Speaker, I am very pleased to have an opportunity to speak this evening on the National Historic Sites Act and amendments thereto. In general, most hon. members find agreement with that act, but as the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) mentioned earlier today, opportunities such as this to speak about national historic sites do not come very often, and it is a privilege when we have the opportunity to make some mention of them.

It is not my intention this evening to talk about that great constituency of Battle River and therefore the need to develop the national historic sites there. I am sure every member of parliament would like to visit this area some time, and I invite them to come, but there is irony in a situation which has developed there which I am sure is not the intent of the government or of the department. It results from a regulation regarding national historic sites. This is the opportunity for me to bring it to the attention of the House, and particularly to that of the Department of Indian Affairs and Northern Development which looks after national parks and historic sites.

I am pleased that the parliamentary secretary is present, and also the Minister of State for Fitness and Amateur Sport (Mrs. Campagnolo), because I think my comments relate to both of those ministries. The regulation which I would like to bring to their attention does not permit camping at a national historic site. Basically that is a position with which I would agree. When you have a fort, an old church or an old graveyard, obviously you do not want people going there and using that site as a camping ground. However, I would like to give a short account of the situation which took place in my home province of Alberta where there is considerable interest in whitewater canoeing and kayaking. In this sport you go out to a place where there are rapids and try out your Eskimo rolls.

I felt very privileged to be part of the Edmonton Kayakers. One of the most popular places in the province of Alberta where we went was down to Red Deer and west to Rocky Mountain House. There was a stretch from Rocky Mountain House going toward the mountains to the town of Horburg, a distance of 20 miles, that had eight descents or rapids.

In 1966 the Calgary Canoe Club, the Red Deer Canoe and Kayak Club, the Edmonton Whitewater Kayak Club, and the

Northwest Voyageurs pooled together to clean out a large area along a flood plain of the North Saskatchewan river. That became a camp site. There were water facilities right across from Brierly and Fisher rapids. Of course this was a very fine site. It is interesting, however, that since that time it has been named a national historic site. I am pleased that the old chimneys of the David Thomson expedition are still there. Diggings are taking place in the David Thomson old fort, and that is quite commendable.

However, this year when the kayakers and canoers went out to camp at that site, the RCMP showed up and told them that no camping was permitted. One of my good friends in his usual way asked the RCMP officer, "Why would there not be camping there?" The officer responded by telling him, "It is now a national historic site". My friend, still playing coy, asked him the next question, which was, "Why is it a national historic site?" "Well," the policeman answered, "It is in recognition of David Thomson". The next question was, "What did David Thomson do to make this a national historic site?" He was told, "He camped here over night". We have a site there in recognition of David Thomson camping over night, but what is important is that whitewater canoers and kayakers in Alberta who want good whitewater only have the choice of this stretch on the North Saskatchewan river or an area closer to the mountains where you have water coming out of glacier ice. If you do a roll there or you flip into the water and have to roll back up, you have a few square miles of ice cubes out of glaciers to contend with, and that is not quite so comfortable to be rolling in.

All I would like to ask the department to do is to give special consideration to the David Thomson historic site, bearing in mind that there have been very active clubs for about three decades now and that it was the people who belong to those clubs who cleaned out the flood plain. The previous owner of the land built Brierly. One of the rapids is named after him. He made it his express wish that the site be kept for campers along that stretch of the North Saskatchewan river.

While this may seem to be too minute an issue to be raised in the House, the fact of the matter is that the large group from Calgary, Red Deer and Edmonton have traditionally, every year gone out on that river and cleaned it up. It is ironic that they are now being told they cannot camp there, when the reason the site was made a historic site is that David Thomson camped there when trying to find a route to the Pacific.

● (2020)

I would like to sneak something in and say to the Minister of State (Fitness and Amateur Sport) that we in Canada ought to give more support to kayaking and canoeing in this country. I was disappointed that at the time of the Olympics Canada did not introduce canoeing and kayaking. All through Europe the terms "C-1" and "C-2" are used with regard to canoes. The "C" refers to Canada. As this country was being developed, our rivers were used as highways. In Europe the feeling is that Canadians are the experts when it comes to kayaking and canoeing. These sports are identified very much with Canada, and they should have been introduced by Canada at the Olympics. Incidentally, in Munich, Germany, these sports were tried on a temporary basis, although not as part of the Olympics, and they should have been introduced here. I pass that along also to the parliamentary secretary, and I hope he will give consideration to it.

Mrs. Campagnolo: Mr. Speaker, I wonder if the hon. member would permit a question. I wonder if he knows that Sport Canada has made a considerable contribution to the Whitewater Canoers and Kayakers, and that at the present time they are situated in the national sport administration centre here in Ottawa.

Some hon. Members: Hear, hear!

Mr. Malone: I am well aware of that, and I appreciate the interjection. We again have the opportunity we missed a year ago to make this into an international sport with a Canadian identity to it, and I think it was unfortunate that we missed it.

I would like to bring to the attention of the parliamentary secretary the number of people who have worked to make that flood plain a camping area, and it need not interfere at all with the national historic site of the David Thompson Fort at Rocky Mountain House. Members of the RCMP there have claimed that there is no problem with the canoers and the kayakers camping there. As a matter of fact they say they rather enjoy their company and like them, and in view of the reason that campsite is there, and because a citizens group over a number of years actually built the campsite, I hope the parliamentary secretary will give special consideration to having that regulation removed so that there can be a campground there. Officials in the department have been told that there is a place five miles away where these people could camp, but that is not satisfactory.

Once you have rolled over in icy water a few times, you want to get into a warm tent which is right near the rapids, and to go five miles downstream is just not safe. Not permitting camping in an area which is away from the old fort would be to kill the sport of whitewater canoeing and kayaking at that point on the river, and I simply ask that a special regulation be considered in that regard.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member for Northwest Territories (Mr. Firth) spoke for us this afternoon, indicating our support for Bill C-13, and at that time it was not our intention that any other members of my party would speak at this stage of the bill. However, some of the things which have been said have had the effect-which often takes place around here—of suggesting that perhaps something additional should be said, and a couple of us have a few words which we would like to add.

There are a number of things I could say and a number of suggestions I could make, but it strikes me that if one has a particular point he wants to make, it is better to stay with that point and leave the other for some other occasion. It is in that vein that I refer just to one matter, namely, the excellent statement made this afternoon by the hon. member for Well-

ington-Grey-Dufferin-Waterloo (Mr. Beatty) when he spoke about the desirability of the former home of the late Agnes Macphail being purchased so that it might become one of our historic sites.

When the hon. member was speaking, I was pleased to note that the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo) indicated her approval. It is nice to have that approval here in the House, and I see she is nodding her head up and down now to confirm it. I hope that her approval will also be indicated in certain councils where she has both a voice and a presence.

All of us who know anything about Canadian history, and particularly those of us who remember Agnes Macphail, are deeply conscious of the great contribution she made to the life of this country. She was the first woman to be elected to the House of Commons. That was back in 1921, and she was here for 19 years. She later went on to become the first woman ever to be elected to the Legislature of the Province of Ontario. I am sure hon. members are aware of the fact that her bust, along with that of another former woman member of this House, the Hon. Ellen Fairclough, will be found in the corridor just to the north of this Chamber. In other words, the late Agnes Macphail has already been recognized as an important person in Canadian history.

Miss Bégin: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I am delighted now to have not only the support of the Minister of State (Fitness and Amateur Sport), but also the support of a very important minister, the Minister of National Revenue (Miss Bégin). I suspect that if the Minister of Communications (Mrs. Sauvé) were here, she would make it unanimous.

Miss Bégin: We know how to recognize competence.

Mr. Knowles (Winnipeg North Centre): I seem to be winning my point. Perhaps I had better stop while I am ahead. I support wholeheartedly the suggestion made by the hon. member for Wellington-Grey-Dufferin-Waterloo, and I hope the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Penner) will note these remarks and do what he can to make sure that this piece of property is purchased so that it can be made an historical site in memory of the late Agnes Macphail.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I will intervene very briefly in this debate tonight on Bill C-13, to amend the Historic Sites and Monuments Act. I do so just to bring to the attention of the minister, through his parliamentary secretary, whom I see in the House tonight, an incident which has occurred not once but twice in my area.

I agree wholeheartedly with the purpose of this bill, which is to increase the membership of the board which recommends to the minister that certain actions be taken by his department. I certainly agree that the Northwest Territories and the Yukon Territory should be represented on that board, and that fact has been well argued by the hon. member for Battle River (Mr. Malone) as well as by the speaker for the New Democratic Party, the hon. member for the Northwest Territories (Mr. Firth).

My purpose is to draw attention to what I call a rather petty feud which is presently going on in my area between the National Historic Sites and Monuments Board and the local historical societies. It stems from the fact that original plaques marking sites of national historic significance in my area are now in the process of being replaced.

One of them is a monument erected to the memory of two Jesuit priests who wintered on the shores of Lake Erie at the time of LaSalle's exploration of the Great Lakes and the Mississippi. There are several others which have been erected by the federal government. These plaques are being replaced by bilingual plaques which include, in many cases, more detailed information about the activity or national significance of the events they mark.

● (2030)

One particular plaque, which was on the outside wall of the Eva Brook Donley Museum in the town of Simcoe, administered by the Norfolk County Historical Society, has been replaced by a bilingual plaque which has more information on it. The local historical society would like to keep the original one and put it in the museum with the exhibits relating to the event it marks. The plaque commemorates the birthplace and the contribution to the history of Ontario and Canada of Dr. Egerton Ryerson after whom the hamlet of Port Ryerse on Lake Erie was named. Dr. Ryerson is known as the father of education in Ontario.

The local historical society had no quarrel with the newer plaque but they wanted to keep the original one. The Historical Sites and Monuments Board, however, insisted that it must be turned in to be melted down for scrap or something. It was necessary for the local society to take possession of the original plaque and literally hide it so that it could not be melted down. As a matter of fact, Mr. Speaker, it is in my constituency office. The society has written the minister asking permission to keep the original plaque in the museum, a simple request which would not in any way detract from the plaque now in place. What bothers me is the insistence that the plaque must be scrapped, when it is really a part of the history of the area. A similar incident occurred in the municipality of Nanticoke when the local people made a request to keep an original plaque.

I would ask the parliamentary secretary to talk some sense into these people. In my view this is petty feuding. Why must they be so inflexible and demand that these plaques be returned to the government? They are of peculiar historical significance to the local area and, in my view, should remain there. If the RCMP want to come and take the plaque that is in my office they can, but I do not think the department will want to go that far. The local historical society is up in arms over the issue, however. This is just a minor thing in the whole scheme, but I would ask the parliamentary secretary to draw his minister's attention to the letter written by the local

historical society requesting that they be allowed to keep the plaque.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I want to take a few moments while we are discussing Bill C-13, to amend the National Historic Sites and Monuments Act, to make a representation to the Minister of Indian Affairs and Northern Development (Mr. Allmand), who is responsible for Parks Canada, about a matter which is of concern to many of my constituents in Sault Ste. Marie. I corresponded with the previous minister about this issue, and he showed his concern as well.

Many citizens of Sault Ste. Marie, myself included, want to declare what is left of the St. Mary's River rapids and Whitefish Island, which is located in the rapids, an historic park site. The Great Lakes Power Company of Sault Ste. Marie has announced plans to expand its hydro generating facilities into the St. Mary's River rapids, and also to construct some facilities on Whitefish Island. If this were to go through it would mean the end of one of the great historic sites in Canada and Northern Ontario, the St. Mary's River rapids, because a concrete raceway would have to be constructed. This would destroy the scenic beauty of the rapids, and also the sports fishing which is enjoyed by many residents of Sault Ste. Marie. This beautiful site is right along the downtown waterfront in the city.

I need not remind the hon. parliamentary secretary and other members of the House of the historic significance of the St. Mary's River rapids or, as the French explorers called them when they first saw them, où les eaux de la rivière Sainte-Marie se déversent—"where the waters of the St. Mary's River jump". The city of Sault Ste. Marie, of course takes its name from this beautiful, important and historic site which is synonymous with the identity of the city. The rapids of the St. Mary's River appeared on the first map of the Great Lakes which was made in 1632 by the explorer Champlain. They were discovered 245 years before Confederation, in 1622, by Étienne Brûlé, the early French explorer associated with Champlain.

Brûlé found the rapids and Whitefish Island in St. Mary's River to be the centre of activity for the Indian tribes. It was a great fishing ground and meeting place for many tribes. Preliminary archaeological digs on Whitefish Island have found it to be a treasure house of Indian artifacts and an important archaeological site as well as an historic one. In a dig last summer archaeologists discovered some 3,000 artifacts, mostly fragments, some dating back 2,000 years, so they consider this an important site that should not be ruined by commercial development.

Tourists who come to our part of the country remarks on the natural beauty of these rapids in the heart of the city, the beautiful water and parkland surrounding them. Whitefish Island could provide a recreational facility for visitors as well as the many residents of the Sault who fish in the rapids. The rapids are still a good fishing ground and should be preserved. The area is adjacent to the world famous shipping locks that carry ships from the upper levels of Lake Superior to the lower levels of Lake Huron. What I am trying to convey to the government is that this is not only a place of natural beauty but a place of historic significance as well which must be preserved.

● (2040)

The Great Lakes Power Co. stunned the citizenry of Sault Ste. Marie by announcing plans to expand the existing power plant. The reaction to that proposal was one of alarm. Many citizens of Sault Ste. Marie began to organize, and founded the Sault Rapids Society, under the leadership of Mr. Harry Graham. The society obtained thousands of signatures to a petition asking that the power plant should not go ahead, and that the area be preserved as an historic parkland site. Indeed the city council of Sault Ste. Marie went on record as supporting the concept that the area should be preserved as an historic park site and that the rapids should not be endangered.

I fully agree with the objects of many of the citizens of Sault Ste. Marie, particularly those of the Sault Rapids Society, for making this area into a heritage park. It is important to preserve this last bit of the history of Sault Ste. Marie and the natural beauty of the area. I urge the Canadian government to follow the example of the American government which has declared its portion of the rapids a national historic site. It is important for Parks Canada to become involved in this development, to ensure that commercial exploitation of the area is not permitted and that the present residents of Sault Ste. Marie, as well as future generations, may enjoy the natural beauty and historic significance of that important area of the St. Mary's River rapids. I hope the government will consider the matter sympathetically and examine favourably the representations I have have made this evening.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, it gives me great pleasure to participate in debate on Bill C-13, the bill to amend the Historic Sites and Monuments Act. Debates of this kind allow one to talk of various areas in one's constituency and neighbouring constituencies, to determine if they should be remembered. In some cases I suppose it would be best if they were forgotten.

As I listened this evening to hon. members speaking of various historic sites in their areas, it came to me that the history of the west coast of Canada is entirely different from the history of central or eastern Canada. Until less than 100 years ago, that is, until the completion of the Canadian Pacific Railway, there was really no communication between the two parts of the country now called Canada, that is, between British Columbia and the central heartland. The settlement of central Canada took place along the St. Lawrence River. St. Lawrence River communities sprang up. It also took place in Quebec, where French communities settled. The English communities went farther up-river and located in places like Kingston, Toronto, and Niagara. But this part of the country grew older, and political events took place which had no effect on the people living on the west coast of Canada. The people in British Columbia at the time were entirely isolated from

Central Canada; perhaps I should say central Canada was completely isolated from British Columbia.

The different routes of the colonists were such that they did not come together until the 1880's. Consequently, as that part of the country now known as the west was opened with the coming of the railway, it was settled by and large by people from Ontario, Quebec, the Maritimes, and later from Europe. They came via eastern Canada.

The tale of British Columbia of course is entirely different. The British Columbia area was first seen by the Russians, who traded with the coast Indians early in the eighteenth century. The Russians were followed by the Spaniards, and such great names as Juan de Fuca and Quadra appeared on maps of what are now known as coastal waters; they so appeared in the late 1770's. The first of the British to show up was Captain Cook who arrived there late in the eighteenth century, around 1786. He was followed by Captain Vancouver, who established the first settlement on the east coast of Vancouver Island in 1792. Then, in 1827, the Hudson's Bay Company, then known as the British Hudson's Bay Company, established Fort Langley, the first permanent settlement in the area. That took place in 1827. These small settlements on the west coast were nurtured almost entirely from Great Britain, so that such events as the Rebellion of 1835 in eastern Canada meant absolutely nothing to the people of Vancouver Island, in the Crown colony of Vancouver Island. Subsequent great events, such as the Durham report, were meaningless to people living on Vancouver Island and on the British Columbia mainland. The Canada Act had no bearing at all on the people then living in British Columbia.

At this particular time of the province's history one great man appeared on the scene, Sir James Douglas. He had joined the Hudson's Bay Company at the early age of 16, and by 1839 was chief factor of the Hudson's Bay Company on the west coast. He was ordered to build a fort on Vancouver Island in 1843, he having explored it in 1842. Sir James Douglas landed on Vancouver Island, landing where the city of Victoria now stands, going ashore there. It is difficult to determine exactly where he came ashore; it is thought to be Clover Point, but there is some argument as to whether he landed closer to the inner harbour than Clover Point.

There is no plaque, so far as I have been able to determine, marking the spot where the first representative bearing our civilization set foot on Vancouver Island. Although instructed to build Fort Camosun, Sir James Douglas built a fort on the site in 1843 and called it Fort Victoria.

Victoria is filled with names which are totally unfamiliar to people in eastern Canada but well known on the west coast; there you hear names such as Blanshard, the first governor of the colony. Actually he came to Canada to be the governor of the colony centred on Vancouver Island; apparently he did not like it. He was the last person from outside Victoria who, according to our records, came there but did not like it. He left one year later and was succeeded by Sir James Douglas as governor and vice-admiral of Vancouver's Island.

Sir James Douglas first came to notice in 1840. He was sent to Alaska, to settle the trading arrangements with the Russian-American company which had at that time leased the Alaska panhandle to the British. I am sure the hon. member for Skeena (Mrs. Campagnolo), the minister responsible for fitness and amateur sport, wishes that it were that simple now, that we could again lease the panhandle as they did in those days.

Sir James Douglas arrived shortly after the Oregon boundary settlement. The British government had deemed it wise to establish a Crown colony on Vancouver Island. When Sir James Douglas did this, he became firmly convinced that he would have to control immigration, and control the Americans as they came in, particularly during the gold rush days, so that what had happened in Oregon would not happen in British Columbia. The vast majority of people who came for the gold rush in 1858 were Americans. With the help of a small contingent of the Royal Engineers, a few ships of the Royal Navy, a handful of magistrates, and Judge Matthew Baillie Begbie, he preserved law and order and kept firm possession of the country. None of these names are marked by historic sites and monuments. I ask the parliamentary secretary to look upon this as a request that more attention be paid to that part of Canadian history that did not find its well springs in either Ontario, Quebec, or the maritimes.

• (2050)

It is of note that the only Father of Confederation buried west of the Great Lakes is buried in Ross Bay Cemetery in Victoria. There is no marker of significance to point out this fact. I hope that after this bill is passed, and we do not intend to present any difficulties with regard to the passing of it, the parliamentary secretary will take these matters as representations from my constituents and myself and realize that there is more to Canadian history than the story taught in eastern Canadian textbooks.

The Acting Speaker (Mr. Ethier): Order, please. Before recognizing the parliamentary secretary, I must inform the House that when he speaks he will automatically close the debate.

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I rise only briefly to close this debate and to express to all members in the House who participated in the proceedings this afternoon my gratitude for what was a very stimulating and most interesting debate.

As hon. members noted during the course of today's debate, it is all too infrequently that the House provides us with the opportunity to remind ourselves about the historical content and the historical sources, some of them very rich indeed, that lie within our constituencies. Of course much of the debate this afternoon went well beyond the simple terms of the bill which, although it is important, does nothing more than add two members to the Historic Sites and Monuments Board in order to give representation to the Yukon and Northwest Territories.

The hon. member for Moose Jaw (Mr. Neil) pointed out that this should have been done a long while ago, and stated that he hoped there would be more endeavours to give representation to these two territories. I would just remind him, although he is not present this evening—

Mr. Hnatyshyn: He is here.

Mr. Penner: Thank you very much. I would just remind him, although he probably knows it as well as I do, that it is the policy of the government, on a basis of evolution, increasingly to provide representative and responsible government to the Yukon and Northwest Territories.

The hon. member for Moose Jaw quite correctly chastised me for not mentioning in my opening remarks the number of visitors to historic sites in the province of Saskatchewan. The hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) indicated how many members from Saskatchewan were speaking in today's debate. He pointed out that Saskatchewan had a great deal to contribute to the history of this country and that in fact I was guilty of an oversight. I must confess my guilt in this regard. I feel particularly badly about it because I was born in the wonderful province of Saskatchewan.

Some hon. Members: Hear, hear!

Mr. Penner: My parents, my father recently deceased, were also born in the province of Saskatchewan.

Mr. Knowles (Winnipeg North Centre): Then why are you a Liberal?

Mr. Penner: That is why, indeed. The summer before last I had the privilege of being a delegate to the Commonwealth Parliamentary Association which visited Saskatchewan. We held meetings in the legislative buildings in Regina. Part of that delegation made a visit to Batoche. Therefore, having been there, I know what the hon. member for Moose Jaw and the hon. member for Saskatoon-Biggar are referring to, as well as their references to Duck Lake, Fish Creek and Fort Carlton.

I was particularly delighted that the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), a former minister of Indian affairs and northern development, saw fit to participate in the debate. He made a very useful contribution. His suggestions will, of course, be taken under advisement. I am particularly grateful to that hon. member for having mentioned the recent work by Dr. Creighton, "The Historic Beginnings of Canada", a well written, scholarly and beautifully illustrated book. The hon. member thought it would not have wide circulation or interest in this country. I am sure that as more Canadians know about that book, they will be anxious to read it and acquire it for their own libraries.

A number of members this afternoon made important representations, directed through the minister to the Historic Sites and Monuments Board. Representations were made by the hon. member for St. John's East (Mr. McGrath), the hon. member for Saskatoon-Biggar to whom I have already referred, the hon. member for Prince George-Peace River (Mr. Oberle), the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty) who received strong support from the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Algoma (Mr. Foster), the hon. member for Battle River (Mr. Malone), the hon. member for Norfolk-Haldimand (Mr. Knowles), the hon. member for Sault Ste. Marie (Mr. Symes) and the hon. member for Victoria (Mr. McKinnon). I wish to remind all these hon. gentlemen that the representations they made have been carefully noted and that the *Hansard* report of today's debate will be carefully studied by the board. In addition the minister will pay attention to it.

It is not unusual, when an opportunity like this arises, that every hon. member has a suggestion as to how a particular board or agency of the government should spend its money. As I said in my opening remarks, in this current year we only have $19 million to spend. We are going to ask for more money in the next fiscal year. Of course it will be recognized that if we were to meet all of the requests made this afternoon, we would have to ask for more money than we would have any hope of receiving. However, I do not wish to discourage any hon. members on the cases that they presented so well today.

As Canadians we must pay a great deal more attention to our history. We must be prepared to invest more money in our history. We pay a great deal of lip service to national unity and the national character of Canada, but we do not always adequately carry through with the commitment of expenditures that historic sites, monuments and personages so well deserve.

In conclusion, I want to thank again all members for a useful and interesting debate. I wish there were other ways in which we could provide an opportunity for members to talk about their constituencies and the history they know so well. This would contribute very much to a good record in the House of Commons with regard to the history of this country, much of which is not as well known as it ought to be.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

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● (2100)

STATUTE LAW (METRIC CONVERSION) AMENDMENT ACT, 1976

AMENDMENTS TO WHEAT BOARD ACT TO FACILITATE CONVERSION TO METRIC MEASUREMENT

Hon. Len Marchand (for Minister of Industry, Trade and Commerce) moved that Bill C-23, to facilitate conversion to the metric system of measurement, be read the second time

and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, I am pleased to rise to move second reading of Bill C-23, which is an act to facilitate conversion to the metric system of measurement.

I should like to talk first about the principles behind the government's decision in 1970 to assume a leadership role in metric conversion. We all know that to make such a change in a modern industrial nation entails cost and inconvenience. But it is also clear that almost every country in the world has concluded that the benefits offered by the metric system more than justify the costs of converting to it. Only Burma, the Yemen Arab Republic, the Yemen Peoples Republic, and Liberia are not yet converting. Of the countries now converting, Australia and New Zealand, for example, are about 75 per cent converted.

The benefits of metric conversion derive mainly from the inherent simplicity of the system which tends to have the effect of speeding up and simplifying the measurement calculations which are made every day throughout the economy. By simplifying many measurement-sensitive operational jobs it helps keep operating costs down, no matter what the size of a company.

Increasing Canada's exports is also one of the key reasons why it makes good economic sense to go metric. It has been estimated that almost half of Canada's export trade is measurement-sensitive; and there is a clear market trend to the metric system both inside and outside North America. The increasing importance to Canada of export markets, especially for manufactured goods, confers a certain urgency on the need to convert. In the case of exports by secondary industries to countries outside North America it is the practical judgment of many of those who are concerned with Canadian trade in many of the established metric areas of the world that the unfamiliar inch-pound standards significantly hinder Canada's penetration of those markets. On this score, there is one country which will no doubt continue for many years to be our most fertile export market, and that is the United States. It is a mistake to think that our great southern neighbour is moving only very slowly to the metric system. In fact the United States is adopting the metric system much more quickly than is generally believed. For example, 40 per cent of all General Motors automotive parts are manufactured to metric dimensions.

There is one principle which pervades all areas of the national effort. It is that metric conversion must be carefully planned, timed, and phased in order to make sure we minimize the cost while maximizing the benefits for the public, industry, labour and government at all levels. In 1970, the leaders of all parties in this House gave their support to the principle of metric conversion and to the policy as outlined in the white paper on metric conversion. On the basis of this support the government established the Metric Commission in 1971, and in 1974 approved the national program of guideline dates for metric conversion, consisting of four distinct phases as follows: Phase I—Investigation to be completed in 1974; Phase II—Planning to be completed in 1975; Phase III—Scheduling, to be completed this year; Phase IV—Implementation to begin in 1975 and to peak in 1978, the end of 1980 being fixed as the guideline date by which the economy will be working substantially in metric units.

Last year a resolution in connection with this program of guideline dates was introduced in the House by the Minister of Industry, Trade and Commerce. The Standing Committee on Finance, Trade and Economic Affairs examined and endorsed the program last December. The ministers responsible for metric conversion in each of the provinces, who met with the Minister of Industry, Trade and Commerce in Ottawa in April, 1976, also unanimously endorsed it.

The program was similarly endorsed by organizations such as the Canadian Manufacturers' Association, the iron and steel industry, the Canadian Construction Association, the Canadian Telecommunications Carriers' Association, the Canadian Labour Congress, and the Canadian Chamber of Commerce. The following two associations also endorsed it and stressed the importance of passing amendments to legislation: the Canadian Gas Association, and the Canadian Petroleum Association. The program received qualified endorsement from the following organizations: the Retail Council of Canada, the Canadian Federation of Independent Business, the Retail Merchants' Association, the Canadian Federation of Retail Grocers, and the Canadian Electrical Manufacturers' Association.

Supporting metric conversion since 1971, some 1,500 volunteers from all sectors of the economy have been investigating, planning, scheduling, and in some cases actually implementing metric conversion in their respective sectors of the economy. These national metric conversion officers, grouped into more than 100 sector committees, have put their faith in the leadership of the government. They have produced sector plans for their industries which contain specific guideline dates indicating when it would be in their best interests to introduce metric products and services. They expect the appropriate legislation to be properly amended in time to meet their schedules. They are doing their share, and the results of their work are already evident in hospitals, in weather reports, in metric road signs on many of our roads, in litre milk containers in British Columbia and Quebec, litre soft drink and wine bottles and, kilometer per hour speedometers on 1977 cars, to mention just a few examples.

Hon. members may ask why an omnibus bill is being presented. Mr. Speaker, the House has already passed the law which is the basis for virtually everything the economy does in terms of measurement. I refer to the Weights and Measures Act of 1873, amended in 1971, which makes the international system of units legal for all purposes in Canada. But there are still approximately 90 federal acts which must be amended if we are to keep pace with the march of events I have just described.

Differing national sector plans call for different implementation dates in the various industries or public services. Although the implementation dates are not mandatory, they

serve as guidelines for each member company or organization in a given sector. The patterns emerging so far in Canada and, for example, in Australia, indicate that the bulk of a given sector does convert on or around the dates in its sector plan. The important aspect as far as we are concerned in this House is that the federal government should also have a timetable indicating when legislation ought to be passed, because the time when legislation is required is clearly marked for each sector in the sector plans. It is thanks to this careful planning that we have developed a schedule of dates which covers the majority of the 90 federal measurement-sensitive acts needing amendment. The bill before us today is the first of four such bills to be proposed before the virtual completion of the final or implementation phase of metric conversion. It covers nine of the 90 acts.

I propose to deal briefly with the main features of the bill before us, first being the proposals relating to the grains sector. The most pressing deadline we face concerns the various pieces of legislation which must be changed to allow the bulk grain handling industry to go fully metric in February of next year. Domestic and export futures transactions have been made in metric tonnes since July of this year on the Winnipeg Commodity Exchange Futures Market. The conversion of scales has already begun. The Manitoba Pool, the Saskatchewan Pool, the Alberta Pool, the United Grain Growers, the National Farmers Union, and the Canadian Federation of Agriculture all support conversion. With this kind of support, with widespread conversion work already completed, and with our customers abroad, even in the U.S.A., already using metric units, it would be far more costly to undo the work already done than to make sure this bill is passed in time. The proposals with regard to grain involve four of the nine acts covered by the bill.

I wish to deal briefly with the reference to the Consumer Packaging and Labelling Act. Many metric conversion managers across the country have noted that when both metric and imperial units appear side by side on a consumer product, the consumer tends to notice only the familiar unit and ignore the new one. As experience in other countries, such as the United Kingdom, testifies, the result is that the consumer learns nothing about the new system. Many sector committees, with the support of industry, have recommended that the legal requirement to show the customary Canadian unit be dropped. The amendment is to the Consumer Packaging and Labelling Act and would mean that the manufacturer would have the option to show the old unit or not. This amendment would thus favourably affect all sectors manufacturing consumer packaged goods, not to mention all wholesalers, retailers, and the consumers themselves.

● (2110)

The Weights and Measures Act will also be amended. The sixth act that would be amended by this bill now stipulates that the governor in council cannot amend it in such a way as to prevent the use of customary Canadian measures in trade. Given the over-all policy in the White Paper acclaimed in 1970 of the eventual adoption of a single coherent measurement system, the proposed amendment to the Consumer Packaging and Labelling Act, and taking note of the accelerating pace of introduction of metric products, it is now time to delete this provision.

This amendment could affect the advertising and sale of commodities sold by weight, volume, or length, and prevent consumer confusion about the quantity of a product by controlling the unit of measurement.

There are other important acts that will also be amended. Another clause of the bill would amend the Regional Development Incentives Act by changing square miles to square kilometres. This is merely an arithmetical change to specify the size of a designated area as 12,500 square kilometres instead of 5,000 square miles.

In the natural gas distribution sector no change can be made to provincial legislation governing the transmission and distribution of natural gas until the Federal Gas Inspection Act is changed. In the metric conversion plan of this sector this amendment is therefore critical. The plan also calls for drilling to begin in July, 1978, with a lead time of one year for legislation, and this bill would amend the Oil and Gas Production and Conservation Act in time.

May I briefly point out that it is not only the 1,500 volunteers from the Canadian private sector who have been looking to the federal government for leadership in metric conversion. The provincial governments and the United States are vitally interested in every move this House makes in connection with metric conversion.

In 1974 all ten premiers sent a letter to the Prime Minister (Mr. Trudeau) expressing their support for the program of guideline dates for metric conversion. Omnibus bills have already been passed in provincial legislatures; the first was in British Columbia in June, 1974, and the second in Alberta on November 4 of this year. All provincial governments have organizations which co-ordinate metric conversion, and in most cases they have been operating for several years now. Metric conversion activity among the provincial governments is, therefore, well under way. Unless this House keeps up the pace with its own legislation, provincial legislatures will be inhibited from acting on their own legislation, as in the case of the Federal Gas Inspection Act.

Since May, 1973, the United States has been actively investigating, planning, and scheduling metric conversion for the private sector on a national basis. The national sector and co-ordinating committees of the American National Metric Council, formed since that time, have been operating along much the same lines as the Metric Commission national committee structure.

Contrary to some belief, the United States is doing more than just following Canada. It can be said that the United States is moving very quickly in some influential sectors of the American economy. For example, 40 per cent of all components in General Motors automobiles are now in metric dimensions. The Ford plant in Lima, Ohio, has been producing all metric engines since 1973. The essentially all metric General

Motors Chevette is now on the market, and Chrysler intends to launch an all metric subcompact in 1977.

President Ford signed the United States metric conversion act in December, 1975, and this provides for a United States metric board. Its members have been nominated, and observers in Washington anticipate that these members will be confirmed by the United States Senate early in the new year. In light of all these facts it is reasonable to conclude that the United States is not far behind Canada, if not ahead of us in certain areas.

In conclusion, our trading partners both south of the border and overseas are watching us to see if we will continue to maintain our stature as a modern trading nation by moving unequivocally to the international system of units. Equally as important is the fact that our provincial governments, private industry, and commerce have put their faith in our leadership. Now is the time to respond.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, it is a great and exhilarating experience to speak in the House of Commons on a Tuesday night just before the Christmas recess. I will not be too long in my remarks. There are several others who wish to speak and I think they will all be reasonably short because I believe there is a disposition to move with some haste on this piece of legislation.

This bill is one of a series to be presented to parliament to facilitate conversion to metric. The standing committee which dealt with the metric resolution recommended in its report to parliament that the government proceed with plans for metric conversion by bills that would be presented to parliament, rather than proceeding by order in council. I am pleased to see that the minister has recognized this desire on the part of people in parliament. His predecessor did not appear to have the same recognition of the suggestion that this matter be aired here in this House rather than proceeded with by way of order in Council.

There has been considerable controversy over the introduction of the metric system, but we are more than half way down the road and we certainly cannot turn back now. I have not been at all impressed by some of the information that has come out of the Metric Commission, and all of us continue to get mail criticizing the fact that we are proceeding with this conversation. Generally speaking I think everyone supports the idea or concept of metric conversion, yet we find in talking to various ministers that they still want to proceed in this rather cavalier and high-handed way. The point I have tried to make in the past is that the best way to get the metric conversion settled is by having a wide open debate in the House so that interested people can speak on the measure. Let us get things out in the open. This would do a great deal of good, much more than some of the promotional material from the Metric Commission.

I would caution the minister that when he introduces another bill he should not leave it until the 11th hour. We recognize that this bill must be passed. We are going to recess soon, to return in late January, and this is supposed to be in effect on February 1. However, I think the bill could have been introduced one, two or three weeks ago. Certainly it was before us on November 22. I hope the next time around the minister will bring his bill in for debate in the proper way. I do not think that would involve too much time in the House, but there are members who have some misconceptions about metric conversion. I am sure they would like to be heard and to put forward the views of their constituents.

I think the minister and I have a slight disagreement in respect of countries, but there are only a few countries in the world not now on the metric system. I think this is a progressive step for us to take in order to complete our conversion. This bill amends several acts. I think it is pretty straightforward. It changes some of the designations in the Canadian Wheat Board Act and a few other acts dealing with grain. For example, it changes "acres" as it appears in various statutes to "hectares". The new term is a combination of the words "hecto" and "ares", "hecto" meaning "hundred" and "ares", which I think is of Greek origin, meaning a square unit and from which is derived the word "area". So the definitions are pretty straightforward. The word "bushels" is changed to "tonnes". That is an old English term. The old English is "tunne" and the middle English is "tonne".

• (2120)

To give the House an example of how people get upset about metric conversion, one of the metric terms that has puzzled me is the unit of measurement of barometric pressure. For years the common term has been "millibars" when referring to barometric pressure; it is now reported in "kilopascals". I do not know where the hell that term came from, frankly. The metric designation for pressure is "newtons per square metre" or "dynes per square centi-metre". These can be designated as kilinewtons per square meter, or newtons per square centimetre; but where they dug up the term "kilopascals" is beyond me. I have looked through several scientific digests and cannot find it anywhere. I do not know whether it is a creation of the Canadian Metric Commission or what it is, but that is the sort of thing that gets people upset. They are used to working with one term and then, all of a sudden, another one is thrown at them and they cannot figure out what it means. I have received letters from engineers and people in the scientific field, and they have asked me what the term kilopascals means. They want to know where it came from and who designed it, because they cannot find it anywhere.

They have the same sort of frustration that we had in the finance committee. We had a caucus committee meeting one night and the Metric Commission was with us. They had a map of Canada and, believe it or not, Mr. Speaker, they had Edmonton where Winnipeg is, and Winnipeg where Edmonton is. The Metric Commission is an agency of the Government of Canada and was telling us what a great thing metric conversion was, yet they had the audacity to show a map of Canada like that to a group of MP's.

Mr. Hnatyshyn: Perhaps they did not know where they came from themselves.

Mr. Kempling: Perhaps they picked up "kilopascals" somewhere along the way, but this is the kind of silliness we have had regarding some of the matters dealing with the metric system.

I have spent a great deal of time trying to convince people that it does not cost $3,000 to convert a set of tools to metric measurement. I know for a fact it does not cost that because we use tools in my own business. Yet we are still getting letters, and representations are still being made to us by people who tell us that it will cost them $3,000 to convert a set of automobile mechanic's tools to the metric system. That is absolutely wrong; we know it does not cost that much. I have checked with tool manufacturers and tool distributors, and I do not think it will cost even 10 per cent of $3,000. But the only way we can get these things out into the open and get these concerns expressed is by bringing in bills to this House, sending them to committee, and then have the Metric Commission come before the committee to hear our views.

Talking to the Metric Commission at the time we examine estimates is totally inadequate. I urge the minister to continue bringing in bills as we proceed along with metric conversion, let us have a day or two's debate on each, send the bill to committee, and discuss our concerns. Perhaps this will give the Metric Commission some direction as to where their advertising efforts should go. I know there has been a tremendous amount of co-operation with industry, and although the separate committees have had some criticism, generally they have worked quite well. I cannot be too critical of them, but I do urge we continue to proceed by bill rather than by order in council.

I received a long letter from a man who is an engineer, and who simply tears the whole idea of metric conversion apart. I intend to answer him, but this is only one of many letters we are continuing to receive. This makes me feel that some of the advertising done by the Metric Commission is too slick, too professional to reach the people it should. It is great for young children and kids at school; they are very well adapted to the metric system today. But older people, people in the professions in some instances, are just not being reached.

With that, Mr. Speaker, I will conclude my remarks. We have three or four other members who wish to speak on the bill, and I believe some members of the NDP are going to speak. Nevertheless we hope we can move with some haste on this bill.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I want to make just a few brief comments on Bill C-23, an act to facilitate conversion to the metric system of measurement. The bill before us seeks to amend a number of acts of parliament dealing with measurement, and on the whole I cannot find any objection to the amendments in the bill. What I should like to do is to use the few minutes available to me to make some observations and suggestions on the whole policy of metric conversion.

I should like to zero in on three areas for the benefit of the minister and his officials to which they might address themselves. First, there are certain problems that I think are associated with metric conversion and information given to the public; secondly, I wish to refer to policing the changeover that is occurring so as to protect consumers; and thirdly, I want to address a few remarks to the cost of metric conversion.

On the first aspect, that of informing the public about metric conversion, I know the Metric Commission has launched quite a public information campaign on television, in newspapers, brochures and elsewhere. I think probably it is effective so far as young people are concerned, students in elementary and secondary schools, but I think it is failing in terms of educating the adult population who, of course, have grown up under the old system and are very set in their ways. They have difficulty relating Celsius to Farenheit, metres to yards, and so on. I must confess that when I hear temperatures expressed in Celsius I am still not sure how cold or hot it is. Or when the wind is so many kilometres per hour I still have to look outside and see how far the branches of trees bend in the wind to get an idea of its velocity. I think the Metric Commission should address itself to this problem that many adults are facing, and try to design information that relates in a very concrete way to some of the basic commodities adults are going to deal with in the consumer field, or in terms of temperature and distance.

• (2130)

For example, we know that a litre is about 88 per cent of the volume of a quart. When this bill passes, there will be an end to double labelling, the metric and the standard labelling on standard articles. When a housewife buys a litre of milk, she will still be thinking in terms of a size which in her mind relates to the quart. What she will be concerned about is the cost of that litre of milk as it relates to what she conceives as the usual cost of a quart of milk. I do not know whether we will still have the same volume, whether it will be the old quart expressed in terms of metric measurement, or whether eventually the quart will be transformed in size to the litre. Whichever way it happens, it would be very helpful if the Metric Commission would produce a set of tables or some figures for comparison purposes on a quart of milk or any other item which the housewife buys. For example, a quart of milk costs so many cents, but if you buy a litre of milk it would be expressed in terms of a litre being so much of the volume of a quart, therefore the corresponding price should be such and such. If you do such an arithmetical calculation for the consumer, when they go out to shop they will not be bewildered by a whole host of different sizes and prices. It would take a mathematician to figure out whether you are actually paying what you should be paying.

Some kind of educational policy should be directed at the adult population, because I do not think the kind of advertising which tries to change our whole mental conception of things is working. I remember some of the charts they have of a thermometer which shows so many degrees Celsius at which you cannot walk on ice and so many degrees Celsius at which you can skate on it, and so on. I do not think that kind of technique really works for the adults.

The other area of concern I have is with regard to the policing of the changeover. To my knowledge there is still no agency set up to protect the consumer from any unscrupulous business enterprise which does a metric conversion and does not put a corresponding fair price on that conversion. They may be using the changeover to reduce the volume and keep the price the same, or they change the volume and increase the price. The public should be made aware of the place where they can send their complaints but, more important, there should be a public agency monitoring the conversion with power to impose penalties on anyone who uses the metric conversion in an unscrupulous manner. I think public confidence would be much greater in the conversion system if people knew there was adequate policing.

For example, in clause 4 of the bill there is a proposal for a change in the Gas Inspection Act. No longer will we talk in terms of British thermal units but rather we will refer to something called megajoules. I have enough trouble with kilopascals in the barometric pressure system, but now I think I will have to get used to megajoules as well for measuring the sale of gas by what used to be the old British thermal unit. I also notice there have been changes in the term for cubic feet to cubic metres, etc., and I wonder again what that will mean to the consumer of natural gas. The gas meter measures units in cubic feet. It is stated here that there will be a changeover to cubic metres. I note that the bill provides for an "either or" situation, but I hope that no consumer of natural gas will have to bear the cost of the conversion of gas companies to the metric system.

That leads me to my third area of concern with regard to the cost of conversion to the metric system. On other occasions we have expressed our concern about the cost to small businesses of having to keep dual inventories of parts. As we convert to the metric system, people who have appliances, automobiles and other machinery which have been designed under the old system will need parts as those machines wear down. I hope it will not be an extra cost that will be added to the consumer who has some old equipment and has to keep finding parts for it.

We have spoken in the past about mechanics, carpenters and repairmen having to buy metric tools and use metric measurements. The only provision under the Income Tax Act to help people convert to the metric system is the $150 deduction for employment expenses. Surely if the government embarks on such a major revamping of our whole measuring system it could just as easily amend the Income Tax Act to allow for the cost to small business and to individual tradesmen of converting to the metric system. The Income Tax Act should be amended to allow greater deductions for that kind of expense that will be incurred.

I have outlined three areas in which the Metric Commission has to do some work, not only with the general public but with convincing the government to take certain legislative initiatives in order to protect the consumer and compensate the individual and certain businesses for the cost of conversion. We have no objections to the changes proposed in Bill C-23, but in order to facilitate further changes in acts of parliament I hope the Metric Commission will take serious note of the concerns I have expressed tonight on behalf of my constituents and the general public.

• (2140)

Mr. Cliff McIsaac (Battleford-Kindersley): Mr. Speaker, I wish to make only a few brief remarks on the principle of Bill C-23. Conversion to the metric system is something which has been going on for some time, and as the hon. member for Halton-Wentworth (Mr. Kempling) mentioned, we are gradually getting used to some of the invented terms used with respect to weather reporting and so on. However, according to the minister in his introduction of this bill, it was about six years ago that all parties in this parliament adopted a White Paper which set the country on the road to the implementation of the metric system. I suppose a change of this magnitude is bound to create some problems and inconvenience, and certainly there has been some confusion and apprehension over the nature of that decision.

I was pleased to listen to the minister tonight and to hear the long list of farm organizations which are supporting and co-operating with the metric commission in implementing the conversion program. I hope that those same farm groups he mentioned will stand up and help explain the program and the rationale and the advantages behind it, explain why they are supporting it, and help our grain producers become accustomed to this very major change.

The words and phrases which are very familiar to prairie grain producers—quarter section, section, acres, and so forth—have been part of the geography and part of the traditional language for a long time, and those words and phrases and that thinking will not disappear.

Mr. Mazankowski: It is part of our culture, Cliff.

Mr. McIsaac: That is right; it is. The hon. member for Vegreville (Mr. Mazankowski) says it is part of the culture of his part of the country, and the same is true for my part of the country.

I was reassured when I heard the minister tell us tonight that our American neighbours are moving roughly in parallel with the Canadian conversion program. That is a fact which is not generally recognized by farmers in my part of the country, and I want to urge the farm groups, and the civil servants who are involved with the implementation of this program, to maintain a closer liasion with the United States agricultural conversion program.

Western farmers have proved many times—and they do not need to prove it again—that not only are they the top food producers in the world but also that they are adaptable and progressive, and they look with favour on any change which will benefit them in the longer run. I hope the over-all metric committee, the provincial departments of agriculture to which the minister referred again, and the various producer organizations will work closely together to sell and explain this program, because it is a very large job. The farmer does not just

have to get used to some of the terms which were pointed out by the hon. member who spoke prior to me with respect to litres of milk, wine, ice cream and so forth. These are not really major problems, compared with the machinery conversion and the new terms for quotas and so forth that farmers will have to get accustomed to in terms of gauging their own production, and of course in terms of their own pocketbooks and what is coming back to them.

I understand we are talking about so many tonnes per hectare as far as quotas are concerned. I wonder why we could not try tonnes per acre, or some part-way measure initially. If the various farm groups and the Canadian Wheat Board wish to proceed with this quickly, I am not going to stand in their way in that respect. I only say let them not blame the politicians when the flak begins to fly with respect to the rate at which it seems to me we are proceeding down the road to metric conversion.

I will be supporting the bill because I realize that the move to the metric system is inevitable and in the long haul, will benefit the country, but I do not support it with any great ethusiasm.

Some hon. Members: Hear, hear!

Mr. Mazankowski: Vote against it; I will join you.

Mr. McIsaac: I hope this particular program is not handled with the usual heavy-handed, insensitive bureaucratic touch which so often goes along with programs of this kind. It seems to me, and it has been mentioned by other speakers in this debate, that we need to spend some more money and explain this in more commonplace or common sense terms. We need to explain the program, and explain why we are moving in this direction, and I trust that the new minister, who is himself a man with an extensive rural background and who is sensitive to rural needs, will bear those thoughts in mind as we proceed down the road in implementing this program.

Some hon. Members: Hear, hear!

Mr. Gordon Towers (Red Deer): Mr. Speaker, I was glad to see the hon. member for Battleford-Kindersley (Mr. McIsaac) step forward and speak on behalf of the grain producers in western Canada. Farmers and mechanics are going to be the ones who are going to be caught with this legislation. The hon. member suggested that the farm groups brought about the situation the government is now in, but I suggest that the government itself is to blame for the fact that this system has not been adequately publicized to the Canadian people. I say this especially with regard to farmers and mechanics.

For some time we have been trying to get the Minister of Finance (Mr. Macdonald) to relax just a little on his taxation policy as it relates to the mechanics of this country. There is no way mechanics can maintain their tool supplies even under the present method of taxation, and the government has not seen fit to provide any financial assistance by way of tax relief for mechanics who will be required to have two sets of tools.

The government should give consideration to this matter prior to implementing this program.

It has been said that we have gone too far down the road to turn back. Perhaps we have, and perhaps when we try to resist this, we are swimming against the tide. Nevertheless, the government has forsaken all the mechanics of this country by not allowing some type of allowance so that they can buy the extra tools they will require if they are to work on implements, automobiles, trucks and so on which are built under the metric system.

The hon. member for Battleford-Kindersley, and the Minister of State (Small Business) (Mr. Marchand) stated that we are travelling at a rate comparative with that of the United States. I suggest that we are far ahead of the United States because much of the equipment which is coming across the United States border to Canada and upon which the Canadian farmer relies has not been built under the metric system. All these machines will have to be changed. One of the real problems farmers have run into has been that when they have taken sprayers out into the field, they have had difficulty relating ounces to acres, and now under these changes they will have to use grams per hectare. Hon. members who do not think there will be problems should go out to farms and talk to farmers who have to use measures which have been assessed under the metric system. They have to work with these products in terms of hectares, and there certainly will be problems.

Mr. Hnatyshyn: A hectare of a problem!

Mr. Towers: That is exactly what is happening. When the hon. member for Battleford-Kindersley says the flak will begin to fly—that is when it begins, Mr. Speaker. The government has made no provision for this and it has shortchanged industry and all farmers by not making suitable provision. A lot of problems could have been prevented if a program had been inaugurated to take care of this, and if there had been opportunities for dialogue.

● (2150)

I have spoken to many farmers and they do not realize the rate at which it is happening. I have a letter which I should like to put on the record because I think it expresses the opinion of many farmers. It is addressed to me as member of parliament, from R. R. No. 2 Lacombe, Alberta, and reads as follows:

> I would like to draw your personal attention to the enclosed clipping from the editorial page of the December 2, *Western Producer*. As you see it concerns the metric system as it applies to Britain. I believe it is time a little common sense was inserted into the way Canada is handling its conversion to metric. As our land is surveyed in square miles containing 640 acres, nothing can change this fact, call it what they will. Another thing is the handling of grain, it is ridiculous to have no measure in between the kilogram, about 2½ pounds, I believe and the tonne. What is needed is a metric bushel of 55 lbs making 40 bushels to a metric tonne. The gallon and inch should also be kept if we are not to make mistakes handling herbicides, etc. What is going to happen when we need a four feet by eight feet sheet of plywood to replace a broken one, are we going to have an odd size that fits nothing?
>
> I hope when the Conservatives form the next government—

I hope hon. members opposite are listening, Mr. Speaker.

—this course of action will be pursued. You would have every farmer in Canada behind you. If you agree, now is the time to start working on it. Thank you for listening.

The editorial referred to, which appeared in the *Western Producer* on December 2, reads as follows:

METRICS: BRITONS DIG HEELS IN

Britain learned that it would go metric in 1965. It has been 11 years since then and the Weights and Measures Bill—as it is called—is still battling its way through the House of Commons.

How has it fared? What can Canada learn from their experience which spans many more years than does our journey toward metrication?

According to a story in the Business Section of *The Sunday Telegraph*, November 7, entitled, "Metrication Muzzled and Delayed", a number of changes have been made to the bill as it fought its way through house committees. In order to ensure its progress the British government has conceded one major point: it has agreed that the mile, the inch, the pint and the gallon will be preserved and exempted from statutory metrication. Apparently the Common Market rules and regulations make it clear that such exemptions can be made.

I ask you, Mr. Speaker, what provision has the Canadian government made in this regard; what dialogue has it had with Great Britain in this regard?

The editorial continues:

Some members of parliament on both sides of the House were concerned lest metrication increase consumer problems, already vexed enough by inflation, and they asked for a delay in metrication of four basic foodstuffs until after 1979. The foodstuffs were bread, cheese, tea and butter. However, the government offered to prevent metrication of any foodstuffs before April, 1978. The members of parliament accepted the broader alternative.

The government also agreed that fish, meat, vegetables and fruit, which in Britain are usually weighed out in front of the consumer in smaller shops, will not be subjected to compulsory metrication until after 1980.

Canada is not faced at present with the problems confronting the British economy but it is possible we might find it useful to consider their experience with the legislation to see if it could have any application in this country.

This is why I say the Minister of State (Small Businesses) should have given some consideration to small business when he was speaking.

Some time ago the Retail Council of Canada estimated that it will cost at least $50 million to convert measuring scales in some 28,000 retail outlets, particularly food stores, to the metric system. My note on this says that the council wrote to finance minister Turner as well as provincial treasurers. It is some time since the Hon. John Turner was minister of finance, so that is how long the government has known about the problem. The cost to the small retailers is going to be tremendous. I think the minister should have given consideration to this problem before going ahead. We know what inflation has done and we know that the profits of the small business people are not great; we also know that any increase in their costs will be passed on to the consumer. Once again, the consumer pays.

Just today I spoke to a fairly large retailer of building products who told me that his increased costs will have to be passed on to the user. Therefore even in the construction industry it is going to be a problem. People buying a home today find it costs enough already.

I feel greater consideration should have been given to the problems associated with this bill. I was quite interested that the minister did not mention football but I see the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo) in the House so perhaps she will have some comment. I wonder if that game will be played as "first down and eight and three quarter metres to go".

There should have been more dialogue on the Canadian scene about this whole metric system. Canadian people are intelligent and can adapt to circumstances over a period of time. Certainly farmers, mechanics, and all those people who will be hit hardest should have been considered. There should have been provision to protect them and not all of a sudden subject them to this situation. I hope the minister will give some thought to that. Mr. Speaker, I see you are ready to rise, and I want to thank you for the opportunity of speaking on behalf of those people about whom I am vitally concerned.

The Acting Speaker (Mr. Turner): The hon. minister on a point of order.

Mr. Marchand: Mr. Speaker, there was some discussion earlier with spokesmen from the other parties to the effect that we might complete all stages of the bill tonight. I wonder if I may inquire whether we might not see the clock and have the other speakers make their contributions and complete the bill as we agreed earlier.

Mr. Hnatyshyn: Mr. Speaker, there certainly have been discussions about dealing with this matter, but it was my impression that if we reached ten o'clock with all those who wished to participate in the debate having done so, we might have been able to complete the bill. In canvassing my colleagues—as I always do to make sure we have a consensus on this side of the House—I find that a number of members still wish to address themselves to this important legislation. I also understand that another member of the NDP may wish to speak.

• (2200)

An hon. Member: We don't want to speak.

Mr. Hnatyshyn: It is ten o'clock. Perhaps he has gone home. At any rate I am afraid we cannot go along at this point with the suggestion made, owing to present circumstances.

Mr. Paproski: Try again, round about February 1.

Mr. Deputy Speaker: Order, please. There is not unanimous consent to adopt the suggestion which has been made.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

IMMIGRATION—REFUGEES IN ARGENTINA—CO-OPERATION WITH AMNESTY INTERNATIONAL

Mr. Andrew Brewin (Greenwood): Mr. Speaker, two of my colleagues and I addressed questions to the Minister of Manpower and Immigration (Mr. Cullen) yesterday having to do with the situation of refugees in the Argentine.

The Canadian government in June promised to increase the number of refugees to be admitted from South America from roughly 4,500 already admitted to a total, including that 4,500, of 6,000. In other words, another 1,500 persons were to be admitted.

The three members I have mentioned in September visited the Argentine and Uruguay under the auspices of the Canadian churches and accompanied by Mr. George Cram, a representative of the Canadian churches. They directed their attention specifically to the question of Canada's contribution to refugees and to the question of fundamental human rights in the countries they visited. They presented a detailed memorandum to the minister, asking that the refugee situation be treated as a matter of urgency and that steps be taken by way of appointment of a special commission to deal promptly with the cases.

The minister replied in a memorandum furnished to us on December 16. The effect of the memorandum is to suggest that the situation is by no means urgent, that the Canadian embassy in Buenos Aires has reported that the Argentinian government is taking a more humane approach toward refugees and human rights, and that present regulations are quite adequate.

We interviewed the embassy officials, the UN High Commissioner for Refugees, and many of those in the churches and elsewhere who are responsible for refugee programs, and we talked to many refugees as well. We find it necessary to reassert that our statement that an emergency exists is indeed correct. The only evidence which might justify the statement of the more humane approach was the statement that the Argentine authorities have shown a greater willingness to co-operate with the UNHCR and such other organizations as Amnesty International.

This view, Mr. Speaker, is totally rejected by Amnesty International itself, which speaks in a recent interim report of kidnappings, including the kidnapping of the person who a few moments before had been interviewing the Amnesty International group. Father Drinan, a member of the Congress of the United States, says the situation is almost as bad as that in Chile at the height of the repression there, and indeed the situation is worse than in Viet Nam when thousands of prisoners were imprisoned and tortured. Amnesty International speaks of the killing of ten clergymen and the disappearance of many people as a result of "actions by unofficial security personnel." It is also clear that Amnesty International representatives were not in fact granted freedom to move throughout the country. We ourselves can attest from very many interviews we had that a situation of lawlessness does indeed prevail. There are at least 10,000 detained without trial on political charges. All of this has created grave uneasiness on the part of refugees.

It is apparent from the minister's memo that he has got his information from our embassy staff. When we were there, two junior officials were looking after immigration matters for the Argentine and six other countries. We understand that one more has been added. However, it was quite apparent to us that they took routine views of their duties, and we find it strange that the minister should prefer the opinion of these officials to that expressed by three members of parliament, all experienced and quite familiar with the situation. We think it is somewhat derogatory of our parliamentary system that representations from members of all major parties should be treated by the minister with such scant respect.

I urge the minister to reconsider the whole matter and to get in touch with the U.N. High Commissioner for Refugees through well qualified and independent personnel in order to get at the real facts. This is a matter of human beings and their lives, and Canada should not base its policies on a garbling of the facts.

[*Translation*]

Mr. Arthur Portelance (Parliamentary Secretary to minister of Manpower and Immigration): Mr. Speaker, even though we first consider the information provided to us by our embassy in Buenos Aires, we also take into account the information that might be given by organizations such as Amnesty International. Our embassy indicated to us recently that Argentine authorities showed a greater desire to cooperate with the United Nations High Commissioner for Refugees and seemed more concerned about the international opinion. We were informed by our embassy that in early November two representatives from Amnesty International met with Argentina's foreign affairs under-secretary and were allowed to visit a few prisons and interview some inmates.

IMMIGRATION—REQUEST TO ACCELERATE ADMISSION OF REFUGEES FROM CHILE AND URUGUAY

Mr. Louis Duclos (Montmorency): Mr. Speaker, first I want to point out the non sectarian nature of the short debate we are having tonight about the political refugees of Chile and Uruguay who are presently under the protection of the United Nations High Commissioner for Refugees in Argentina.

I should also say that this is as it should be since we are dealing with a transcendental issue, an issue which goes far beyond the electoral interests of the political parties of hon. members of this House who are concerned with this problem. Indeed it is quite out of question, Mr. Speaker, to play political games with values such as respect for human rights or promo-

tion of individual liberties, which get virtual consensus in our country.

Mr. Speaker, I am amazed at the good conscience of the minister's advisers in this field. It is obvious that their vision of the Argentine situation is quite different from what my colleagues and I have been able to see during the week we spent there last October. This difference was already clear during the long discussions we had with our representatives in Buenos Aires. According to what they said, you would have thought that the coup of last March 24 was only one more incident in the political history of Argentina, and that the conditions of the political refugees coming from neighbouring countries had been only slightly affected when the army took over in Argentina.

One should know, Mr. Speaker, that Argentina today is no longer the open land that it traditionally was for political dissidents from surrounding countries. Because the new regime is hostile to them, they live in a climate of fear that the commendable efforts of the UNHCR are not enough to alleviate. Indeed, they had good reason to be fearful. One only has to recall the kidnapping last May right in the middle of Buenos Aires and the subsequent assassination of two Uruguayan refugees, Senator Michelini, a former minister of industry and commerce of Uruguay, and his fellow citizen, Mr. Gutierrez Ruiz who was Chairman of the Congress in his country. Yet those were two politicians belonging to moderate formations whom the Uruguay security forces, apparently acting with the tacit consent of Argentine authorities, picked up in a hotel rented by the United Nations High Commissioner right under the nose of the Argentine police. In that respect, it must be said that the protection offered by the police varies from day to day and that at certain times it is virtually inexistent.

At the very time we were in Argentina, a raid was made by the security forces in a place housing refugees registered with the United Nations in Argentina's second biggest city, Rosario. Some fifty persons were thus detained during 24 hours, without any apparent reason.

Having said that, Mr. Speaker, it is not surprising that a large number of those refugees should strongly desire to leave Argentina. In fact, about a quarter of the 10,000 refugees registered with the High Commissioner for Refugees are considered urgent cases, that is individuals whose physical security can not be assured. So I am surprised that it could be suggested that few refugees want to find refuge in Canada because it goes without saying that the majority of those individuals would be quite happy to be in Canada. Indeed, a visit we made in a place accommodating refugees in that category showed us the obvious interest they have for Canada. We were literally assailed by many requests, for representations to the Canadian government by those living there.

Mr. Speaker, it must be recognized that Canada generally contributed a much larger share than the rest of the whole world to the solution of those difficult problems. However, this should not appease our conscience to the point where we should close our eyes to the miserable plight of people whose only fault for most was wanting to create a fairer social order in their country.

It is interesting to know, Mr. Speaker, that the UN High Commissioner for Refugees rejects about half of the request for political refugee status that are made to him. As to Canada, it rejected 70 per cent of the 1,284 cases submitted by the High Commissioner between January and September of this year. It is a scandalous rate of rejection of which we cannot be proud.

• (2210)

Furthermore, the Canadian embassy is known for being unable to react quickly in emergency situations so that fewer and fewer cases are referred to it. Last week, the United Nations High Commissioner for Refugees asked for a meeting with the officials of the embassy in Buenos Aires to make them aware of the problems created by the slowness of our admission procedure. So we cannot say that the relationship with the High Commissioner is really good.

Mr. Speaker, it is obvious that those who report to the minister on the situation in Argentina do not really understand the political events happening in that country. They do not realize that it is improper to unduly extend the stay in Argentina of people who are not welcomed there and who, according to a senior official of the ministry of interior that we met, will be deported to their country of origin if a third country is not prepared to receive them.

And how shall we establish if a refugee can stay or not in Argentina? The decision is based on the information given by the government of the country from which they fled in terror. Of course, they would not be welcomed back very warmly.

Mr. Speaker, I think it is essential that the minister decide to give more credibility to his young officials who perceived the distorted reality through a prism formed by three parliamentarians from political parties who got 95 per cent of the popular vote at the last elections and who have a long experience of those problems. If he cannot make a decision I encourage him to make arrangements so that an experienced official of the Department of External Affairs may go there and evaluate the political situation in the near future.

It must be remembered that it is only after the political situation was assessed by a high ranking official of recognized competence that Canada could start to decently discharge its responsibilities in Chile after the coup of September 1973.

Mr. Arthur Portelance (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, as indicated previously by the Minister of Manpower and Immigration (Mr. Cullen), immigration applications by Chilean and Uruguayan refugees are normally processed within two to four months. In cases where the United Nations High Commissioner for Refugees or one of our officers identify an instance of particular urgency, a refugee can be accepted within days. There is no interview waiting list in Buenos Aires. Refugees are interviewed as soon as their application is received. Right now the United Nations High Commissioner for Refugees

refers about 30 cases every week to our embassy. Our three immigration officers can process a larger number of cases, but right now there is only moderate interest for Canada among refugees. It seems refugees would rather establish locally in a more compatible cultural environment.

I would repeat what Mr. Cullen already indicated to me, namely that a special mission is not required for the time being. We respond as quickly as possible to refugee applications. The applications cannot be processed any faster, in view especially of the screening which is absolutely essential to Canadian security. Unless refugees showed sudden interest for Canada, a special mission would in no way facilitate the entry of those Argentine refugees.

[*English*]

IMMIGRATION—REQUEST FOR EXPLANATION OF TREATMENT OF REFUGEES IN ARGENTINA—ACTIONS OF UNITED NATIONS COMMISSION

Mr. David MacDonald (Egmont): Mr. Speaker, before I deal with other parts of the subject under debate tonight I want to deal directly with the answer the parliamentary secretary has just given my colleague, the hon. member for Montmorency (Mr. Duclos). Perhaps this shows the virtue of having this kind of a debate on one single issue, something in which the three of us are obviously vitally interested.

It is unfortunate, and I feel very sorry for the parliamentary secretary, that he has had to provide an answer to this House which could be so incomplete and, in some cases, so factually inaccurate. In discussions we held earlier today with Mr. Cram, referred to by my colleague, the hon. member for Greenwood (Mr. Brewin), we again reviewed the situation in respect of the length of time it takes to process refugee applications. We could find no basis whatsoever for the affirmation that has been made again this evening by the parliamentary secretary that the average waiting period is from two to four months, unless in fact he is referring to the period after the application has finally been approved, which means, of course, considerable time prior to that when a number of interviews, security checks and medical examinations are made.

Even more important, the assertion by the parliamentary secretary that there is no waiting list is absolutely inconceivable to the three of us who have had the opportunity of talking directly with refugees who are in an emergency situation, of which, by UNHCR reckoning, there are some 2,500. Each of us could speak very personally and feelingly about standing in a hostel containing more than 100 refugees who are absolutely desperate to get out of Argentina. From the moment we arrived and were pointed out to be parliamentarians from Canada, I can tell you that each of us had a number of animated conversations with people who would do anything to come to Canada, but in a number of instances have had their applications turned down. Some were encouraged through our conversations to reapply, and their process has perhaps now been completed.

[Mr. Portelance.]

When the parliamentary secretary suggests there is only moderate interest in Canada, it may be the situation of the chicken and the egg. It may be that the fact is that far too many refugees have experienced the reality that Canada has not seemed very willing to process their applications, and that the United Nations High Commissioner for Refugees has recently reasserted with Canadian officials in Buenos Aires that there must be a better understanding of the refugee process than the one that is presently in process.

My colleague, the hon. member for Montmorency, in the latter part of his remarks suggested that indeed the time had come for there to be some cutting of the enormous amount of red tape, and of misinformation that has been conveyed on the subject from the minister's office and from the parliamentary secretary here this evening.

It is interesting to note when we reflect on the situation in Chile, following the coup that occurred there in 1973, that significant action did not occur on the refugee problem until the special delegation in 1974 of Geoffrey Pearson and Mr. Danby had the opportunity to give an objective stating of the situation as it existed at that time in Chile.

The problem we are faced with this evening, and it is a very real problem of modern day bureaucracy, is that the minister, and I am here in no way criticizing him in himself, suggested to us in response to answers yesterday that he does want to take a humanitarian approach to this problem, but he is relying, as my colleague the hon. member for Greenwood has said, on very junior officers who do not have an over-all and objective picture of the situation. They are in a day-to-day process of dealing with people who are coming in as refugee applicants. They have not had a clear directive in terms of their mandate. They are functioning, I think, in a very difficult manner, using forms that are regular immigration forms.

We heard some horror stories about people who came to apply, desperate as refugees, and who were being asked to indicate whether they had a valid job offer before their refugee status could be regularized. Surely to goodness we are not talking about a normal immigration program. The minister and his predecessor made it very clear that this is a special refugee program because of the very urgent, serious and dangerous situation for people living in the southern cone of Latin America.

Unfortunately the parliamentary secretary has been in the position again of providing information that obviously has been filed by junior officers, and which is simply not adequate nor accurate. What we are calling for here this evening is an opportunity to clarify that situation as it presently exists in Argentina. I would urge the parliamentary secretary to relay to his minister and senior officers of the department that the time has come to get some objective and accurate information.

● (2220)

I would hope that as a result of this particular exercise this evening of reflecting on questions which we raise about the perceptions that have been expressed by the minister in his memo to the three of us, he will in fact take the same action

that was taken with respect to Chile, and an objective, high level commissioner will be appointed immediately to investigate the full facts of the situation. I have reason to believe that the information that the minister has operated with has not even canvassed the full range of the Department of External Affairs but has relied very heavily on two or three of the immigration officers who, as I have said, are in the day to day business of processing refugee applicants. They are not in a position to give an over-all or political perspective to the situation. It is vitally urgent, in view of the commitment that the minister's predecessor made earlier this year, to extend the refugee program with respect to Argentina, that we do not operate with these gross misconceptions which exist.

As I mentioned in my question to the minister yesterday, I can think of no competent observer who has visited Argentina in the last six months who has not confirmed, on the same basis that a recent article in the *Saturday Review* of books of October 24 suggested, that there is very great terror in Argentina, very largely in the first instance for those who have come as migrants from Chile, Uruguay, Paraguay or Bolivia, and increasingly for some residents of Argentina itself for whom we may well be seeking an oppressed minority category.

While the minister's parliamentary secretary may not be able to provide us with anything this evening than more of the same half-baked information from junior officials, I hope he will convey the thrust of our concern for accurate information and assessment of the real refugee situation in Argentina very, very soon.

[*Translation*]

Mr. Arthur Portelance (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, in answer to a series of questions that the hon. member has asked previously of the minister, I would add, as the Minister has already indicated that recent reports presented by our embassy in Argentina reveal that the government of that country has adopted a more tolerant and humane attitude towards foreign refugees within its boundaries. It is important to keep in mind that since the Argentine government has ratified the United Nations convention relating to the status of refugees, along with its various geographical restrictions, it only recognizes European nationals as refugees. Some 10,000 refugees, mainly from Chile and Uruguay, living in Argentina as refugees according to the UN definition, are considered by Argentina as simple illegal non-immigrants. Nevertheless, the Argentine foreign affairs under-secretary has stated that his government does not intend to deal harshly and rashly with these people, even with those whose documents are not in order after the registration program deadline.

Indeed, since this program has been terminated on November 30, 1976, there have not been any mass expulsions of Chilean refugees. The latest reports from our embassy in Buenos Aires show that the Argentine government does not intend to do anything before at least mid-February against people who forgot to register or who are recognized as ineligible for permanent residency in Argentina. Our officials in Argentina are looking closely at the refugee situation. If this situation should change and if expulsions were threatened, in agreement with the United Nations High Commissioner for Refugees, we would consider what additional action be taken.

We do not consider that the United Nations High Commissioner for Refugees has acted irresponsibly as concerns his mandate in Argentina. This mandate has been extended to people who did not always meet the definition of the convention on refugees because in Argentina, housing and survival allowances are available only to recognized refugees. Our officials work in close co-operation with the Buenos Aires office of the United Nations High Commissioner for Refugees. In fact, the representatives of this office are making a preliminary study of the immigration applications of refugees to identify those who are really interested in coming to Canada and who can meet our selection criteria. We depend mostly on the reports of our qualified and experienced officers on duty in Buenos Aires. They are well aware of the situation of refugees in Argentina and have good contacts with Argentine authorities and the United Nations High Commissioner for Refugees. Moreover, we take into consideration the reports published by world wide organizations such as Amnesty International.

Finally, Mr. Speaker, I would like to repeat that in answer to the calls of the United Nations High Commissioner for Refugees, and as concerns the situation of refugees in South America, Canada has accepted as permanent residents more South American refugees than any other country. As of November 30, 1976, the admission of 5,300 people was authorized under the special Chilean program.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 o'clock p.m.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Wednesday, December 22, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

REFERENCE IN "GLOBE AND MAIL" EDITORIAL TO MR. SPEAKER—MOTION UNDER S.O. 43

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am seeking consent to rise under Standing Order 43. It is not usual for a minister to do this, but in view of the special circumstances that prevail as a result of an editorial which appeared in today's issue of the *Globe and Mail,* I thought it was essential that a response be made by the House—

Some hon. Members: Hear, hear!

Mr. MacEachen: —to this unjustified, unwarranted and unacceptable attack upon yourself and your conduct as the presiding officer of the House. There is ample precedent to justify the statement that an attack of this kind upon your conduct and upon your person is an attack upon the House itself.

Some hon. Members: Hear, hear!

Mr. MacEachen: I refer particularly to the concluding sentence of the editorial which reads as follows:

Let it be said of James Jerome that he is not a Speaker but a gambler who plays incredible odds for the popularity of his party.

Some hon. Members: Shame.

Mr. MacEachen: The earlier part of the editorial deals with a labour dispute, and it is not my intention to become involved in the facts or in any aspect of that dispute, but I do take grave exception on behalf of the House to this final statement which affects the privileges of the House in a very real way.

So I would like to have the consent of the House to move the following motion:

That the statement "Let it be said of James Jerome that he is not a Speaker but a gambler who plays incredible odds for the popularity of his party" contained in the editorial in the Globe and Mail on December 22, 1976, is a gross libel on Mr. Speaker, and that the publication of the article is a gross breach of the privileges of this House.

Some hon. Members: Hear, hear!

• (1410)

Mr. MacEachen: I should have included in my comments that the motion is seconded by the hon. member for Grenville-Carleton (Mr. Baker).

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, with respect to the consent asked for by the government House leader, it is granted without reservation.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): With respect to the force and purport of the motion which he asks this House to accept, we accept the words, the spirit and the intent without reservation, and I am sure the hon. member for Winnipeg North Centre (Mr. Knowles) will join in those sentiments as well.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Yes, Mr. Speaker, on behalf of my party I join in the sentiments which have been expressed. We give consent to the presenting of this motion. We regard it as a very serious matter, and we hope the House will now adopt this motion unanimously.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, on behalf of my party, I wish to join the official opposition and give our consent to the House in that connection. I think we must protect the House against such an attack since Mr. Speaker represents the House. We must unanimously protest against such action.

[*English*]

Mr. Speaker: Order, please. Such a motion presented pursuant to Standing Order 43 can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: This is an extraordinary situation and one which would never call for a comment from the Chair, but I

cannot help but say that I am deeply gratified by the action of the House.

Some hon. Members: Hear, hear!

* * *

VETERANS AFFAIRS

PROPOSED COMMITTEE STUDY OF MOVING DEPARTMENT TO PRINCE EDWARD ISLAND—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43. In light of the fact that it has been revealed that the transfer of the Department of Veterans Affairs from Ottawa to Charlottetown, Prince Edward Island will cost an estimated $20 million and will create another level of bureaucracy in Ottawa, in light of the objections raised by the Public Service Alliance of Canada and veterans' organizations, and especially in view of the fact that budget cut-backs in military hospitals have created waiting lists of veterans seeking admission, I move, seconded by the hon. member for Portage (Mr. Masniuk):

That this House ask the government to refer this matter to the Standing Committee on Veterans Affairs to ask the Minister of Veterans Affairs to justify the expenditure of $20 million on a transfer that all involved oppose at a time of restraint and when military hospitals must restrict admittance because of budget cut-backs, and further that the committee study the objections made by the PSAC and the veterans' organizations.

Mr. Speaker: For such a motion to be presented the House must give its unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENVIRONMENTAL AFFAIRS

GROUNDING OF TANKER "ARGO MERCHANT"—ACTION TO PREVENT POLLUTION OF CANADIAN WATERS—SURVEILLANCE OF WRECK

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my questions are directed to the Minister of Fisheries and the Environment, and they concern the impending environmental devastation which may result from the breakup of the *Argo Merchant* which, as of this morning, has released over 5 million gallons of crude oil, or to put it in grim perspective, twice as much oil as the *Arrow* spill in Chedabucto Bay six years ago. In view of the severe consequences which this spill could have, not only on the aesthetic beauty of our coastline, but on the marine life in the prolific Georges Bank, will the minister tell this House what action he will be taking to ensure that the spill does not affect Canada or Canadian waters?

[Mr. Speaker.]

In addition, will he indicate whether his department has the wreck under direct surveillance and if so what his current estimate is of the chances that part of the oil slick will enter Canadian waters?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, this matter obviously changes almost as often as the wind changes. It is the very problem we are dealing with. The latest report I had, about three hours ago, is fairly optimistic about the chances of the oil slick not reaching Canadian shores. A meeting was going on at ten o'clock this morning in Halifax so I have not had a report on it yet. Our officials are keeping in very close touch. The fact is, we are facing very difficult weather conditions.

POSSIBILITY OF BANNING UNSAFE TANKERS FROM CANADIAN WATERS

Mr. Bill Jarvis (Perth-Wilmot): A supplementary question, Mr. Speaker. In view of the fact that tankers of dubious registry such as the *Argo Merchant*—which is reported to have been involved in 18 previous accidents including two groundings and is in fact banned from our ports—are little more than potential environmental catastrophes, will the minister tell the House whether he is able to acquire powers to ban these ships from operating within our 200 mile limit, powers that would be similar to those already available to the Minister of Transport, for example, under the Canada Shipping Act?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, it is obvious that the Law of the Sea Conference, which is addressing itself to these very questions, should produce more positive results than we have had so far. I certainly join with my United States counterpart in deploring the fact that tankers that are badly equipped—I am not saying this one is because I have no way of knowing what the fundamental problem was—should be plying waters that are a potential risk to coastal states. The regulatory powers are vested in the Ministry of Transport—powers governing approach to Canadian shores.

EQUIPMENT AND ASSISTANCE AVAILABLE TO UNITED STATES TO HELP PREVENT CONTAMINATION OF COASTLINE

Mr. Bill Jarvis (Perth-Wilmot): A final supplementary question, Mr. Speaker. In light of the fact that this event is one of the first occasions for the implementation of the joint Canada-United States marine pollution contingency plan, will the minister indicate what action Canada is taking under the plan to assist the United States in preventing the environmental contamination of her coastline? Specifically, can the minister give any indication of the personnel and equipment being made available or ready to be made available to the United States Coastguard?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, we have indicated to the United States authorities that we would make all the resources we have available to them if the slick moves to their coast. I might say

the subject of the meeting in Halifax this morning was precisely on the point the hon. member has raised.

* * *

TRANSPORT

CO-OPERATION OF CANADIAN AND UNITED STATES COASTGUARD IN SURVEILLANCE OF OIL SLICK FROM GROUNDED "ARGO MERCHANT"

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question to the Minister of Transport. In view of the very serious environmental threat posed by this oil slick to Canadian waters and the Canadian east coast fishing industry, what steps is the Canadian Coast Guard taking to keep the oil slick under surveillance and what co-operation is the Canadian Coast Guard offering to the United States coastguard?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I think my colleague effectively indicated the co-operation which always exists. In this case, we have a very good working relationship with the United States coastguard and of course we are available at any time.

* * *

EXTERNAL AFFAIRS

POSSIBILITY OF INTERNATIONAL ACTION TO REGULATE TANKERS USING FLAGS OF CONVENIENCE

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I put a supplementary question to the Secretary of State for External Affairs? In view of the statement made by the chief of the Environmental Protection Agency in the United States today to the effect that stricter international regulations are required to govern this kind of tanker traffic, especially with tankers flying flags of convenience—and we had an unhappy experience of our own with the *Arrow* disaster with which the minister is familiar as it happened when he was minister of transport—what steps has Canada taken on the eve of our implementation of a 200 mile fisheries management zone to press for international regulations in this regard, perhaps in concert with the United States?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I think the hon. member will recall that Canada was in the forefront of proposals such as those outlined today. In 1959 we took the initiative at IMCO, one of the United Nations agencies, and of course many good results flowed from that. That agency is still operating and Canada is a member. We are still discussing what I agree ought to be a tougher regime in terms of international tankers. As the hon. member will also know, it is very difficult to get international agreement on this. In Canadian terms we continue to have the special fund which is assessed on all oil cargoes moving within our territorial waters. I have no doubt that we will be discussing with the United States, as well as with others, the possibility that now the 200 miles economic zone has been declared, of extending the current limit to 12 miles farther out with regard to further pollution incidents.

● (1420)

Mr. McGrath: A supplementary question, Mr. Speaker. Is the minister prepared to take the initiative on Canada's part and tell his counterparts in the international community that Canada, following the implementation of the 200-mile limit, is prepared to take the initiative in boarding vessels flying flags of convenience, in order to ascertain whether they have satisfactory navigational equipment and to protect the Canadian environment?

Mr. Jamieson: Mr. Speaker, I think that is a useful suggestion, and if there could be even a bilateral agreement with the United States on this we might well be able to move in that direction. As I recall, boarding rights extend only out to 12 miles, but as I said in my earlier response, while the economic zone established deals primarily with fisheries, I think a justifiable link between those two aspects could well be established.

* * *

THE CANADIAN ECONOMY

REQUEST FOR NEW MEASURES TO CREATE JOBS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Considering that over the Christmas period some two million Canadians directly or indirectly will be affected by unemployment and that government job creation programs for the winter will create at most 40,000 jobs during the winter period, will the Prime Minister assure the House that appropriate ministries will be given the obligation during the one month Christmas recess to institute new job-creating initiatives for after the recess, and present them to the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can assure the hon. member that the appropriate ministers, indeed the government itself, will be devoting a great deal of energy and thought to this very serious problem.

* * *

FINANCE

POSSIBILITY OF NEW BUDGET AIMED AT CREATING MORE JOBS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, it is encouraging to note that there will be thought, but we also would like action. May I ask the Minister of Finance if, in terms of his responsibilities, he would undertake during the next month to reconsider the government's position with respect to a budget and promise to come forwards when we resume work after the Christmas break, with a new budget of

which the central economic thrust will be the task of creating more jobs in the Canadian economy?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I can assure the hon. gentleman that we will continue the work we have had under way for the preparation of the budget which will be announced in 1977. Naturally, the impact on employment and growth in the economy as well as the impact of inflation on any possible measures will be fully considered.

Mr. Broadbent: A supplementary question, Mr. Speaker. Are we to conclude from the answer of the minister and that of the Prime Minister that the government has no definite plans but is simply keeping this serious and damaging problem affecting Canadians under review, and are we to expect initiatives to come only from the Bank of Canada but not from other sectors which Canadians expect to show serious leadership?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member will recognize that statements on major economic decisions in this parliament occur in the course of a budget statement, and therefore the budget statement we are preparing will incorporate our conclusions on this point.

* * *

TRANSPORT

ALLEGED INEQUITY OF FERRY SUBSIDIES FOR EAST AND WEST COASTS—GOVERNMENT ACTION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Prime Minister. Since the Premier of British Columbia has sent a telegram to the Prime Minister on the subject of the inequality of ferry subsidies in Canada—

Mr. Fraser: Don't laugh about this; laughing will do you no good where I come from.

Mr. Clarke: —I ask, has the Prime Minister received such a telegram from Premier Bennett and is it the government's policy to allow the inequity of $108 million for east coast ferries as contrasted with $1 million for west coast ferries to continue, or what action can the west expect?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is a long history of correspondence between myself and the present premier of British Columbia and, indeed, at least the two previous premiers. The federal point of view has been explained in those letters. There is an element to be still decided; but, so far as the inequities are concerned, I assure the hon. member that if he studies the facts, he will find that they are not inequities as he says they are.

Mr. Fraser: That is your view.

[Mr. Broadbent.]

NATIONAL DEFENCE

RELOCATION OF AIRBORNE REGIMENT—INVITATION TO MINISTER TO EXPLAIN TO CITIZENS OF EDMONTON

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of National Defence. Would the minister accept an invitation to attend a public meeting in my constituency wherein is located the Canadian airborne regiment and where, accompanied by the Chief of the Defence Forces, he would be prepared to explain the government's views about the relocation of that unit, and in effect its destruction, and be prepared to answer questions both to the military and civilian population who, without exception, find this policy unacceptable?

An hon. Member: Wear your helmet.

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, the Chief of the Defence Staff is going to Edmonton in the next month to meet with the military and civilian officials there. I know he is going to meet with Mayor Cavanagh. I certainly would welcome the opportunity to speak to people in Edmonton. I hope the people in Edmonton show the same breadth of vision as they do in other places and on other issues and do not put the narrow focus on one regiment. I do not accept the premise that it means the destruction of the regiment.

Mr. Lambert (Edmonton West): Will the minister categorically answer whether he would accept an invitation to a public meeting in that constituency in order to discuss that matter?

Mr. Danson: No, Mr. Speaker, I really cannot conduct the affairs of the Department of National Defence by holding public meetings in an adversary situation. I would be pleased to meet with a delegation of people who want to come to see me or, if I am in Edmonton, I would be pleased to meet with a delegation of people there. I do not think a public forum is the place to discuss this type of matter where there is naturally, understandably and appreciatedly a sense of emotion about the loss of a very fine regiment to a very fine community. I understand that. I would like to discuss it with people dispassionately in terms of our military force structure. I am sure the people of Edmonton would understand that and I appreciate their reluctance to see the regiment go.

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ENVIRONMENTAL AFFAIRS

REQUEST FOR CLARIFICATION OF MINISTER'S STATEMENT ON PIPELINE FROM KITIMAT, BRITISH COLUMBIA

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is supplementary to questions asked earlier of the Minister of the Environment. Yesterday in answer to my question as to what environmental studies were available to the National Energy Board on the application of the consortium which wishes to build an oil pipeline from the Port of Kitimat on British Columbia's west coast through to the province of

Alberta, the minister said that all environmental assessments they have will be at the disposal of the Board. He went on to state:

I might say I view that situation with considerable skepticism.

Will the minister explain to the House just what he meant by that?

[*Translation*]

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, it is obvious that the use of a language with which one is not fully conversant can sometimes lead to confusion. It is obvious that my skepticism—it is the word I used and I do not take it back—was about the proposal concerning such a pipeline and not at all about the National Energy Board. We are co-operating as much as possible with the board, precisely to assert ours views on environment, but my scepticism is strictly about eventual damages in a very vulnerable area.

[*English*]

SUGGESTION THAT COPIES OF ENVIRONMENTAL STUDY BY KITIMAT PIPELINE LIMITED BE MADE AVAILABLE

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I thank the minister for his answer. We on this side of the House certainly accept it. Yesterday the minister said that no full environmental study had been done. He was referring to his own department. I now want to ask the minister this: In view of the fact a study has been done with regard to the dangers or possible dangers of oil pollution of the ocean by the applicant consortium, Kitimat Pipeline Limited and that particular study does not go before either the minister's department or the National Energy Board, but before an intergovernmental committee called Termpol, and in view of the fact that Kitimat Pipeline Limited has let out four or five of these studies to libraries and one is available at their Vancouver offices but they will not publish any copies and as a consequence copies are not available to the public of British Columbia which is vitally interested in this matter, will the minister assure the House that he will take immediate steps, either directly or through his colleagues, to ensure that Kitimat Pipeline Limited make copies of this environmental study of the dangers of marine pollution available to interested citizens in the province of British Columbia?

● (1430)

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): In response to the hon. member's first point: when I said that no full environmental assessment had been made, I should have added the word "yet". Obviously, in the study of this application environmental impact information will be given to the National Energy Board. I do not know whether I have the power to compel the group to whom the hon. member refers to publish its data but I will look into that aspect.

Mr. Fraser: In view of the fact that the Secretary of State for External Affairs talked only a few minutes ago in this chamber about introducing a tougher regime with respect to oil tankers, will the minister at least discuss with his colleagues the necessity, in terms of public relations, of insisting that the consortium make available copies of these particular environmental studies on marine dangers to the public of British Columbia and to interested citizens' groups?

Mr. LeBlanc (Westmorland-Kent): If the hon. member will observe what I did in connection with the seal hunt, he will find that I am a strong believer in full public disclosure of information with respect to issues which are by their very nature controversial and in connection to which knowledge of the facts is the only way of basing sound judgment.

[*Translation*]

POSSIBILITY OF PROHIBITING TANKER TRAFFIC IN STRAIT OF JUAN DE FUCA

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I want to ask a question of the same minister.

I also want to come back to the question of the *Argo Merchant* wreckage. Does the minister intend to make representations to the American authorities with a view to controlling if not eliminating tanker traffic in the Juan de Fuca Strait?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, the question is really too general for me to answer without examining its implications on the international level.

POSSIBILITY OF ESTABLISHING UNLOADING PORT FOR TANKERS AT GRAYS HARBOUR, WASHINGTON

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I want to put a supplementary question to the minister.

Given the answer by the Secretary of State for External Affairs that he wants to initiate talks with the American authorities, I would like to know whether the Minister of Environment would be prepared to suggest to our American friends and neighbours reconsidering the project to establish a tanker unloading port at Grays Harbour in the state of Washington?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I certainly can undertake to consider that proposal and discuss it with my colleague.

* * *

[*English*]

CULTURAL AFFAIRS

SUGGESTED INCREASE IN NUMBER OF CANADIAN CITIZENS PARTICIPATING IN LAGOS FESTIVAL

Miss Coline Campbell (South Western Nova): Mr. Speaker, my question is addressed to the minister in charge of cultural affairs. Is the hon. gentleman aware that of the Canadian delegation to the Lagos Festival only 31 persons out of 50 are

Canadian citizens and, if so, is the hon. gentleman prepared to increase the number of Canadian citizens taking part in this event?

Hon. John Roberts (Secretary of State): I presume, Mr. Speaker, that the question was addressed to me. I shall be happy to take under consideration the suggestion made by the hon. member.

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INDIAN AFFAIRS

PROPOSAL TO BAN SPORTS FISHING IN ENGLISH AND WABIGOON RIVERS IN VIEW OF MERCURY CONTAMINATION—LACK OF CONSULTATION WITH NATIVES

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Since the latest health study affecting residents of Grassy Narrows and White Dog reserves shows dangerously high levels of mercury poisoning persisting in the natives of the area, will the minister, now, after years of buck-passing, demand that the government of Ontario ban sports fishing in the English-Wabigoon River system, and if Ontario fails to do so, will the federal government take unilateral action to close the river under the authority contained in the Canada Waters Act?

Hon. Warren Allmand (Solicitor General): My predecessor had asked the government of Ontario to ban sports fishing in those rivers and I did so as well when I met with the Ontario minister a few weeks ago. Because the Ontario government has decided to reconsider the issue—as a matter of fact a meeting took place on this subject very recently—we are awaiting the results of that meeting before proceeding further.

Mr. Symes: In view of the decision by the federal government on November 16 to abandon the idea of a national park for the area, and promises of further consultation with native leaders to seek a solution to the problem, can the minister explain why no Indian representatives from the bands were invited to recent meetings between officials of the two governments, why no officials of Indian Affairs have met with the band councils to hear their proposals for economic development on the reserves, and why not even any written communications have been sent to the chiefs informing them of developments?

Some hon. Members: Shame!

Mr. Allmand: As far as I know, that is not true. I have met with Indian leaders with regard to this problem and I understand my officials have done so as well. I do not know where the hon. member is getting his information.

[Miss Campbell (South Western Nova).]

INDUSTRY

TEXTILES—REQUEST FOR EXTENSION OF SURTAX ON IMPORTED POLYESTER YARNS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. It has to do with the question I put to the Acting Minister of Industry, Trade and Commerce on December 20 with regard to the extension of surtax on imported polyester yarns. He promised to have an answer ready before the House recessed. In redirecting my question to the minister, I should like, first of all, to wish him a merry Christmas, and then ask him whether he will assure the same festive spirit to those engaged in the textile industry by announcing an extension of the surtax which is due to expire before the House re-opens.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, on behalf of all those who have expressed congratulations to the hon. member, might I formally recognize the honour which she, as a member of a great and famous clan, has received?

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): As to the question of the surtax, I can assure the hon. lady that this matter is receiving contemporary close examination by the government. I hope to be able to make an announcement within a very few days.

Miss MacDonald (Kingston and the Islands): I thank the minister for his comments in the preface to that reply and hope the statement, when it comes, will be a positive one.

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AIR TRANSPORT

PROPOSED SERVICE FOR SIX PRAIRIE COMMUNITIES—REQUEST FOR REPORT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Transport. Has the minister received an assessment from the Canadian Transport Commission in connection with proposals to provide air services to six prairie communities—an assessment which was due on December 10—and, if so, when will he be announcing the carrier and the inauguration of the service?

Hon. Otto E. Lang (Minister of Transport): I have not yet personally seen the proposal, but it is now completed. I shall be looking at it as soon as possible and trying to reach the necessary arrangements with the appropriate carrier. I cannot at this point predict how long that process will take.

HIGHWAY SAFETY

MANDATORY USE OF AIR BAGS IN AUTOMOBILES—GOVERNMENT POSITION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Transport and it has to do with highway automobile deaths and injuries. Since early in 1977 we can expect a decision from the new US administration in relation to the provision of air bags as a mandatory safety feature in new motor vehicles—and it is my view that no other safety measure would do more to reduce deaths and injuries on our highways—can we expect a decision from the Canadian government in 1977 which would make the provision of air bags mandatory on Canadian motor vehicles?

Hon. Otto E. Lang (Minister of Transport): No, Mr. Speaker. The hon. member knows that while there is general agreement as to the usefulness of these devices it is not as generally agreed that the cost can properly be imposed in every case when one considers the availability of alternatives, such as the use of seatbelts. There is an arrangement in the United States whereby a significant number of automobiles will be equipped with air bag devices and this will allow us to examine their usefulness and reach a further conclusion a year from now.

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CONSUMER AFFAIRS

SUGGESTED REVIEW OF UNITED STATES STUDY ON USE OF AIR BAGS IN AUTOMOBILES

Mr. Heward Grafftey (Brome-Missisquoi): My supplementary question is directed to the Minister of Consumer and Corporate Affairs. In so far as the Minister of Consumer and Corporate Affairs is mandated to protect the Canadian consumer, and many objective studies across North America have shown significantly that the air bag as a mandatory standard in motor vehicles will do more than any other standard to reduce the slaughter on our highways, would he review these studies and impress on the Minister of Transport the necessity that Canadian authorities implement this standard in future vehicles?

• (1440)

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, may I take that as a representation.

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GOVERNMENT ADMINISTRATION

APPOINTMENT OF MR. GRAY AS CONSULTANT—POSSIBLE VIOLATION OF GUIDELINES FOR FORMER GOVERNMENT EMPLOYEES

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Prime Minister. Given the announcement that Mr. J. L. Gray, former president of Atomic Energy of Canada, has been appointed a consultant to Finmecanica, which is the parent company of the Italian licensee of Atomic Energy of Canada in Italy, could the Prime Minister tell us whether this is in violation of the guidelines which he laid down for former employees of the Canadian government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to take that question as notice.

* * *

AIRPORTS

POSSIBILITY OF NEGOTIATIONS ON CAR RENTAL CONCESSIONS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Minister of Transport. Can the minister tell the House whether or not there has been any rearrangement of preferred airport car rental locations at airports across Canada?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have no further comment on that question today.

Mr. Hnatyshyn: A supplementary question, Mr. Speaker. I appreciate the fact that there is litigation or lawsuit underway at the present time, but I do not think the departmental position should be prejudiced. Are there any negotiations being conducted by the department respecting the location of car rental agencies within airports at the present time, and has any specific proposal been made to any car rental agency? I think that is simple; it has nothing to do with the lawsuit.

Mr. Lang: It is simple, Mr. Speaker, and it is that which I was really not prepared to comment upon. But I will tell the hon. member that there have been some discussions concerning the matter of an arrangement which would allow our car rental services to operate satisfactorily at airports.

Mr. Hnatyshyn: A final supplementary question, Mr. Speaker. I wonder whether the minister would be able to confirm that this new arrangement will be in place before the end of the year, or is there any time limit at all on the rearrangement of car rental locations?

Mr. Lang: I have no further comment on the discussions at this time, Mr. Speaker.

* * *

NATIONAL DEFENCE

SUGGESTED DELAY IN RELOCATION OF AIRBORNE REGIMENT PENDING APPOINTMENT OF NEW CHIEF OF STAFF

Mr. Steven Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of National Defence. In view of the fact that the chief of staff is due to retire and that he is completely preoccupied with his retirement plans and therefore not preoccupied with the logical location of the Canadian airborne regiment, which should remain in Edmonton, would

the minister give the worthy women and children of the Canadian airborne regiment a Christmas present and leave well enough alone until a new chief of staff is appointed six months' hence and a complete economic and military study is reviewed?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I really think this question is quite uncalled for, with the reference to the chief of the defence staff making decisions that are not in the best interests of the Canadian forces.

Some hon. Members: Hear, hear!

Mr. Danson: General Dextrase is one of the most distinguished soldiers that this country has ever produced.

Some hon. Members: Hear, hear!

Mr. Danson: He is respected by the armed forces of all nations, and civilians as well. I think the hon. gentleman will be very embarrassed when he reads *Hansard* and realizes what he has said.

Some hon. Members: Hear, hear!

Mr. Paproski: A supplementary question, Mr. Speaker. Would the minister please give me an answer?

* * *

CRIMINAL CODE

POSSIBILITY OF AMENDMENT OF ABORTION PROVISION—GOVERNMENT POSITION

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the right hon. Prime Minister. In view of the fact that some 50,000 Canadians lost their lives in 1976 by being aborted in hospitals, institutions whose only function should be the preservation of life and the alleviation of suffering, could the Prime Minister indicate whether amendments to the Criminal Code will be introduced by the government in 1977 which would restrict this abhorrent, immoral action to those rare cases where the life of the mother is seriously threatened and give the greatest gift of all, namely life, to another 50,000 Canadians in 1977?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, some time ago the government appointed a committee to look into the equitable and proper application of the law. I understand the report of this committee, headed by Mr. Badgely, is ready for tabling very soon now, and I think it is the intention of the Minister of Justice, probably when the House reconvenes, to table the report. I think at that point the government and the opposition parties can study it and assess in a more proper way the functioning of the present law before discussing any changes.

Mr. Epp: Mr. Speaker, may I put a short supplementary question to the Prime Minister. In view of the fact that in his office he is the protector of every Canadian, could we have his assurance that he will do everything in his power to protect those people who can least protect themselves?

Mr. Speaker: Order, please.

* * *

[*Translation*]

EXTERNAL AFFAIRS

REQUEST FOR AID TO WAR VICTIMS OF LEBANON

Mr. Pierre De Bané (Matane): Mr. Speaker, I should like to direct a question to the head of the government.

Now that peace has been restored in Lebanon, considering that this country has been literally destroyed over the past two years, and considering also the size of the Canadian community of Lebanese origin, could the head of the government issue instructions so that, on humanitarian grounds, the various federal agencies and institutions may help Lebanon and participate in the reconstruction of that country, not only financially, but also through the distribution of prostheses, medicine, food and wheat? Could the government provide considerable help in addition to the $150,000 given to Red Cross international over a year ago?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am grateful to the hon. member for his question. He has advised me on a number of occasions on the Lebanese problem and the steps the government should take to assist these unfortunate people. The hon. member is aware that we have already taken steps in the area of monetary and immigration assistance, and I feel that his suggestions today certainly deserve being looked into most attentively. I promise to bring them to the attention of the ministers involved and to reply to him later next year.

* * *

[*English*]

ENERGY

PROPOSAL TO DRILL FOR URANIUM ON LAKE WAHNAPITAE—REQUEST FOR PUBLIC HEARINGS PRIOR TO GRANTING LICENCE

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I spoke to the minister about this matter before the question period. Is the minister aware of the immediate plans of certain corporations and individuals to do extensive exploration by drilling for uranium on Lake Wahnapitae in the Sudbury district, which lake supplies the water for a great many people in the area?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I thank the hon. member for giving me notice of his question. So far as I have been able to determine in the very few minutes available to me, there are no plans of which I am aware. I think an application was made at one time to the Ontario government and it was turned down. I

can assure the hon. member that before any exploratory drilling is permitted by the Atomic Energy Control Board—and it would have to be permitted by the Atomic Energy Control Board—the Atomic Energy Control Board would take a very close look at it. Secondly, it would not consider any application for drilling from any company unless the prior approval of the province had been obtained.

Mr. Rodriguez: A supplementary question, Mr. Speaker. In view of the fact, as I have said, that this lake supplies the drinking water for the district, and in view of the fact that there have been difficult experiences with the Serpent River system in Algoma, would the minister assure the House that no licences will be granted to any corporation or individual to do any exploratory drilling for uranium on that lake in the Sudbury district?

Mr. Gillespie: Mr. Speaker, I cannot give a categorical assurance other than this, that quite clearly before permissions of any kind are issued by the Atomic Energy Control Board the board would want to make a complete, thorough, comprehensive examination of the environmental effects. So that if any application were granted at any time, for drilling there or anywhere else, it would clearly have to meet the standard levels of health and safety.

Mr. Rodriguez: A final supplementary question, Mr. Speaker. In view of the fact that we have had these assurances in the past and there have been unfortunate experiences at Port Hope and Elliot Lake, would the minister assure the House that before any licences are granted by the Atomic Energy Control Board public hearings will be held at which hearings all environmental aspects of such drilling will be examined?

● (1450)

Mr. Gillespie: Mr. Speaker, I think if the hon. member were to look at provincial legislation he will find there is provision for public hearings under the Environmental Protection Act or an act of similar name. I would think that would be the appropriate area for hearings to take place, and Atomic Energy Control Board officials could be present.

Mr. Rodriguez: You want it after the fact.

Mr. Gillespie: I want to make it quite clear that I support the hon. member's interest in having full and public discussion, if in fact such application is called for.

Mr. Rodriguez: We want it before, not after.

* * *

[*Translation*]

AIRPORTS

ALLEGED REPORT ON AIR-TO-GROUND COMMUNICATIONS—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of Transport.

According to a report published in a Montreal daily newspaper last Friday, it appears that an exhaustive study conducted in 1970 by the office of management advisers, which comes under the Department of Supply and Services, concluded that the use of French in communications between pilots and controllers would make not only for more security but also greater efficiency in air traffic. I would like to ask the minister when this 200 page document was drawn to his attention and whether he had been made aware of it before ordering an inquiry into the use of bilingualism in air-ground communications?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, officials of my department of course were aware of the document long before they began their specific work in attempting to find procedures which allow for the safe use of the two languages in air traffic control in the province of Quebec. It was after the original study that our safety people began to look at the practical use of the two languages and determined that it, indeed, was an important improvement in safety when the two languages could be made available because of the demand for them, with the result there was better communication between the air traffic controller and the pilot when the pilot was able to use his first language. That, however, was always applied with great care in that we insisted upon the maintenance of the high standards of safety which we have come to know and appreciate throughout this country, and that is how we have gone ahead with the matter since.

[*Translation*]

Mr. La Salle: Mr. Speaker, I have a supplementary question.

Since the minister is aware of such a report, may I ask him why it has not been made public, and how can he explain that when he instituted the inquiry commission on bilingualism he fought for such an inquiry because no other study had been conducted before the establishment of this commission? The minister now agrees that a rather serious study had already been made.

[*English*]

Mr. Lang: Mr. Speaker, I am sure if the hon. member puts a question on the order paper to the appropriate minister and not to me, since I am not and never was the minister to whom that report was made, he could have some further information about it. As far as I am concerned, whatever opinions may have been held about the question, what was needed was a very careful safety examination by our aeronautical safety people to determine the progress that could be made, and that is what we have been doing toward our dedicated purpose, based upon a conclusion of what is, indeed, most practical and safe, namely, that we will introduce bilingual air traffic control throughout the province of Quebec as soon as appropriate and safe procedures have been developed and certified for that purpose.

Oral Questions

TRADE

TEXTILE IMPORT QUOTAS—REQUEST FOR RELEASE OF GARMENTS HELD IN CUSTOMS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. I should first like to commend him for the measures he adopted some time ago in limiting garment importation quotas in Canada.

Some hon. Members: Hear, hear!

Mr. Alkenbrack: We still have some minor problems in this connection. There are some small shipments of rental uniforms consigned to local retailers now trapped in customs. These retailers have complained to me that they cannot get these shipments out of customs. The condition arose as a result of the short notice the minister had to give. They have asked if these shipments could be released by customs. They were imported into Canada and are being held. Some of the shipments were made on December 1, the very day that the limitation went into effect.

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, we have made two minor changes to this policy, first of all to allow the entry without any import permit for all clothings which were in transit the day the policy was announced on November 29, and, last Friday, we have allowed the same thing with regard to goods which were in transit between November 29 and last Friday and whose value did not exceed $10,000. I hope those two exemptions will help resolve the problem the hon. member mentioned, and I thank him for supporting the policy we have announced.

* * *

[*English*]

CANADA DEVELOPMENT CORPORATION

GOVERNMENT METHOD OF INFLUENCING POLICY—STEPS TO REDUCE GOVERNMENT'S SHAREHOLDING

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. As Mr. Benson, the minister of finance when the CDC legislation was introduced in this House on February 22, 1971, stated, "the government . . . will always be in a position to exercise the degree of influence on the over-all policies of the corporation which would be appropriate to its shareholding at any particular time", will the minister indicate in practice how this influence has been exercised on the over-all policies of the CDC, and to what extent is he informed of CDC transactions or proposed transactions?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, in terms of over-all policies, I would have to say that these would be policies of a general nature, such as areas into which the corporation should expand its operations or policies with regard to its capital. In respect of individual transactions, it has been my experience and that of my predecessor that the individual transactions have not been brought to the minister for scrutiny and advice.

Mr. Stevens: Mr. Speaker, bearing in mind that the government still owns all outstanding common shares of CDC and has approximately 70 per cent of the voting power in the corporation, will the minister indicate what steps are being taken to lower the government's dominant shareholder position in the CDC, as it was originally represented the government would do when it first proposed this scheme?

Mr. Macdonald (Rosedale): As the hon. member knows, Mr. Speaker, there are approximately 15,000 to 20,000 individual Canadian shareholders with interest in the Canada Development Corporation. That corporation will have to make a judgment, on which we expect to be consulted, as to the further issuance of shares in due course when market opportunity would favour that.

* * *

HEALTH

SWINE INFLUENZA VACCINATION—INVESTIGATION OF GUILLAIN-BARRE SYNDROME AND POSSIBILITY OF COMPENSATION TO VICTIMS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the two reported cases of Guillain-Barre syndrome resulting from swine 'flu vaccinations, will the minister indicate whether an investigation of these cases will be carried out by his department? Is his department passing on relevant information from the experience in the United States with this problem, and will compensation be provided for loss resulting to families which have suffered from this disease as a result of the vaccination program?

Hon. Marc Lalonde (Minister of National Health and Welfare): First of all, Mr. Speaker, it would be premature to establish a casual relationship between the vaccination and this particular syndrome. I think there have been four cases defined, two of them involving persons vaccinated and two involving persons who have not been vaccinated. It is too early to reach a conclusion on this particular aspect. Certainly we are passing on to the provinces any relevant information we obtain from the Disease Centre in Atlanta, Georgia concerning their survey of the situation. As far as compensation is concerned, this is a matter of law. The House will know, however, that we have provided for a form of guarantee for the losses of manufacturers who might be prosecuted regarding incidents of the disease resulting from the vaccination program with the exception of negligence on their part. There is provision for ensuring that there will be money available if a particular manufacturer is prosecuted, but the matter of legal liability will follow the normal route of the court system in the case of an individual suing the manufacturer involved.

• (1500)

LACK OF A-VICTORIA MONOVALENT VACCINE—GOVERNMENT ACTION

Mr. Paul Yewchuk (Athabasca): My supplementary question deals with the fact that elderly people and those with chronic illnesses are still being given the bivalent vaccine which contains the swine flu vaccine and there is no A-Victoria monovalent vaccine available. Can the minister tell the House whether he has taken any action whatsoever to encourage or bring about the production of the A-Victoria vaccine which would enable older people to obtain flu vaccination without getting the swine flu vaccine as well?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, there is presently no A-Victoria vaccine available in the world. It would take several weeks, to say the least, to produce such a vaccine. In the meantime, we will wait for the result of the investigation in the United States to see if there is any relationship between swine flu vaccine and the ill effects which have been reported.

* * *

GOVERNMENT ADMINISTRATION

POSSIBILITY OF LOCATING GOVERNMENT DEPARTMENT IN CAPE BRETON

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce and it is on the subject of decentralization of government services, a matter which I have been pursuing for a long period of time both with the minister and with other cabinet ministers by mail, in personal conversations and in the House. In the light of the serious unemployment situation on Cape Breton Island, which is well known to the government and the general poor economic situation, and since it is so close to the festive season, is the minister in a position today to spread some cheer to the population of Cape Breton by announcing which government service will be located on Cape Breton Island?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I wish I could play the role of Santa Claus, but I have to put on some weight before I do that.

Some hon. Members: Oh, oh!

Mr. Chrétien: Unfortunately, I am not in a position to announce anything today. I would like to meet the wish of some members of the House and of the municipality of Ottawa to make any further announcement all in one shot, if I may use that expression. I hope to be in a position to do that early next year and I hope there will be something for certain sections of Nova Scotia.

Mr. Muir: May I ask the hon. gentleman if he will continue to exchange notes with his colleague and my colleague from Cape Breton Island on that subject?

Mr. Chrétien: He is so close to me that we can exchange notes now many times in the day.

* * *

PUBLIC SERVICE

VETERINARIANS—DELAY OF INTERIM PAYMENTS—REQUEST THAT PAYMENTS BE MADE IN 1976

Mr. Walter Baker (Grenville-Carleton): I just want to pursue the question I asked the other day with respect to the 400 or 500 public service veterinarians. The minister had undertaken to look into the matter to see if some way could be found to have the interim payment made to them in 1976. As an alternative, he was going to discuss contingencies and remedies with the Minister of Finance. Can he tell us what the situation is with respect to that matter?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, as I suggested the other day, a better solution seemed to me to be that a payment be made by the Department of Supply and Services. My colleague, the Minister of Supply and Services, being apprised of the situation moved very quickly and I understand the payment will be made before December 31, which I think is the best way to have the problem resolved.

An hon. Member: Fast government action.

Mr. Speaker: Order, please. I am seeking guidance from the House. Because of the possibility that later in the day the House might adjourn for a fairly long time and there are half a dozen hon. members trying to ask questions, rather than conclude the question period now I would be prepared to at least permit those hon. members who have been seeking to ask questions throughout the question period to put one question, if not supplementaries, in order that they may be able to put their questions before the House adjourns.

Some hon. Members: Hear, hear!

Mr. Speaker: If that is the disposition of the House, may I conclude the question period by calling on the following hon. members to put one question each: the hon. member for Lisgar, the hon. member for Fraser Valley East, the hon. member for Wellington-Grey-Dufferin-Waterloo, the hon. member for High Park-Humber Valley and the hon. member for Victoria.

Mr. Broadbent: All Tories.

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AGRICULTURE

REQUEST FOR FREE MOVEMENT OF FERTILIZER AND CHEMICALS BETWEEN UNITED STATES AND CANADA

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Agriculture and ask him if

he can assure the House at this time that the government will not move to restrict the flow of agricultural chemicals and fertilizers from entering Canada from the United States. If I may paraphrase my question so the minister knows exactly what I mean I should like to ask him if he will assure the House, and consequently the farmers of Canada, that there will be a free movement of fertilizer and agricultural chemicals between the two countries.

Hon. E. F. Whelan (Minister of Agriculture): There is free movement of fertilizers between the two countries, but certainly not free movement of agricultural chemicals between the two countries. Coming to Canada they are duty free, but a 12 per cent tariff is imposed on them going into the United States. What the hon. member is referring to is the fact that the farmers themselves can import chemicals to Canada without going through the process of purchasing the same chemicals in the United States which would possibly cost them more in Canada. So they bring them in free of duty. We have said, before we made our decision on that, that we would meet with the farm organizations concerned which have made representations to us. It depends on whether we will be able to come to full agreement, but I would say that many farmers in Canada and many farmers in the hon. member's district are asking me to put tariffs on all kinds of products coming into the country. If they want duty free chemicals coming in, they better make sure other products with which they are competing in Canada are not free of duty.

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PENITENTIARIES

SECURITY ARRANGEMENTS FOR THOSE RELEASED ON TEMPORARY ABSENCE PASSES FOR CHRISTMAS

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I should like to direct my question to the Solicitor General or, in his absence, to the acting minister. In view of the concern that has been expressed by the residents of Fraser Valley regarding the report that over 50 inmates of Mountain Prison are being released on temporary passes over the Christmas season, among whom is a considerable number of those convicted of rape and some of murder, I wonder if the minister could give some assurance to the people of Fraser Valley as to the special precautions that are being taken to ensure maximum protection for people in that area?

Hon. Francis Fox (Solicitor General): Mr. Speaker, the temporary absence program to which the hon. member is referring is the same type of program that was in effect last year and which had an extremely high rate of success, with almost the total number of the people released under the program returning at the end of a temporary absence. The same precautions that were in force in previous years have been taken this year.

[Mr. Murta.]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR ASSURANCE NO FURTHER JAPANESE TERRORIST ACTIVITIES IN TORONTO

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Solicitor General. Following the deportation of the alleged Japanese terrorist, Mr. Toshio Ohmura, and the plans by the Japanese consulate in Toronto to take all necessary protective steps within their jurisdiction based on reports of further Japanese terrorist movements in that city, can the minister assure the House that so far as the RCMP is concerned there exist no further Japanese terrorist activities in Toronto following RCMP surveillance which is continuing to take place in that city, and if the minister cannot assure the House of this, can he, together with the Secretary of State for External Affairs, take all necessary steps to have these accused terrorists deported accordingly?

Hon. Francis Fox (Solicitor General): As the hon. member knows, the RCMP moved extremely quickly and efficiently in having the case of the known Japanese Red Army suspected terrorist dealt with in co-operation with the Department of Manpower and Immigration. The RCMP security services are monitoring the situation very closely, and all necessary precautions have been taken in connection with the Japanese consulate in Toronto.

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ANTI-INFLATION BOARD

INCREASED PAYROLL—GOVERNMENT VIEW OF EXAMPLE OF RESTRAINT

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Finance and it arises from the figures that the minister released yesterday in reply to a question on the order paper about the payroll of the Anti-Inflation Board. Has the minister reviewed the facts as revealed in his figures that while the number of employees with the board declined by 50 between July and September of this year, the AIB's payroll almost doubled in those two months, rising from $700,000 to $1,300,000, and is the minister satisfied that AIB is showing a worthwhile example of restraint to the private sector?

Hon. Donald S. Macdonald (Minister of Finance): I will be glad to discuss this with the chairman, with the hon. member's question being the opening subject.

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● (1510)

NATIONAL DEFENCE

AIRBORNE WARNING AND CONTROL SYSTEM—INQUIRY AS TO CANADIAN COMMITMENT

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I would like to ask the Minister of National Defence about his conver-

sation last week with the retiring U.S. Defense Secretary. I understand that the minister said that Canada is now firmly committed to participating in an AWACS—Airborne Warning and Control System—in Europe as a first priority, but I missed what he said about Canadian participation in an AWACS for North America. Would the minister tell the House if there is a commitment to both these systems, would he indicate the projected cost, and if we are not committed to the North American AWACS, which the U.S. air force is now acquiring, will the U.S. air force be permitted to operate in Canadian airspace?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I am afraid I cannot give the answer to those questions because there is not a commitment to the system at this time. I believe the proper interpretation of the remarks at that time would have been that NATO ministers agreed that there was a military need for an AWACS in NATO. All ministers are speaking to their governments with reference to their participation, and we hope to meet in Brussels again in the New Year to reaffirm or explain our various government positions, but the expression at that time was not a commitment of this government to an AWACS. There was an indication that all NATO ministers thought there is a need for an AWACS in the NATO system.

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OLYMPIC GAMES

REASON FOR DELAY IN DISTRIBUTION OF COINS

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I would like to put a question to the Postmaster General. In view of the fact that there is a shortfall on the sale of Olympic coins, will the Postmaster General look into the distribution and delivery of Olympic coins? I have heard numerous complaints from constituents who have purchased Olympic coins, received acknowledgement and waited as long as six months for delivery. Further, I understand that many members of this House have purchased full sets of coins and have not received them to this date.

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, I had occasion to speak with the director of the coin program prior to his leaving, which will be on December 31, and we discussed the matter quite fully. There have been some delays, and I am very much aware of them; however, it is our intention to make good all the orders which have been made and which have been prepaid to the best of our ability. We ask people to be as patient as possible and invite them to communicate directly with me, if they wish to, so that we can bring about the accelerated delivery of the coins which are already committed.

The Late Olive Diefenbaker

BEREAVEMENT OF THE RIGHT HON. MEMBER FOR PRINCE ALBERT

DEATH OF MRS. O. F. DIEFENBAKER

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege. It is with a great deal of regret that I advise the House of Commons of the death early this afternoon of Mrs. Olive Freeman Diefenbaker, the wife of the right hon. member for Prince Albert (Mr. Diefenbaker). Mrs. Diefenbaker died at her home at 1.30 this afternoon after an illness of some months.

As hon. members know, she was a daughter of the manse. Her father was a Baptist parson who travelled widely in western Canada, and he served as a minister in Prince Albert, where the late Mrs. Diefenbaker met the right hon. member for Prince Albert. She was a graduate of Brandon College, had a distinguished teaching career, and provided leadership in adult education work in the province of Ontario. She was married in 1953 to the right hon. member for Prince Albert and was with her husband at his election to the leadership of this party, and subsequently at his election to the office of Prime Minister of the country.

I think it is fair to say that Mrs. Diefenbaker was known and respected throughout Canada and abroad for the manner in which she assisted her husband in carrying out his responsibility, and also for the warmth and the openness with which she performed her own responsibilities as the spouse of the Prime Minister of Canada and of the Leader of the Opposition.

Many of us in this House were privileged to know the late Mrs. Diefenbaker for many years. We knew her to be a woman who was gracious in public, and generous and thoughtful in private. She was a friend to many people in this House and to thousands of Canadians outside this House. Particularly in recent years she has been a symbol of strength, courage, courtesy and warmth to Canadians in all the provinces and territories. I am sure I speak on behalf of all my hon. colleagues in this House when I extend our deepest sympathy to the right hon. member for Prince Albert and to the family of the late Olive Diefenbaker.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, certainly we on this side wish to say that we regard the words spoken by the Leader of the Opposition (Mr. Clark) as extremely appropriate on this occasion. Many of us knew the late Mrs. Diefenbaker and learned to know the support she was for her husband, and also to know of the many fine personal qualities she possessed in her own right.

All of us will want to convey directly to the right hon. member for Prince Albert (Mr. Diefenbaker) our condolences on what for him will be a very great loss.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I would like to join with the Leader of the Official Opposition (Mr. Clark) and the government House leader on behalf of the

members of my party in extending to the right hon. member for Prince Albert (Mr. Diefenbaker) our deepest sympathy at this time.

As has been indicated already by the Leader of the Opposition, Olive Diefenbaker was known by Canadians throughout the country as a warm and thoughtful woman, a fine person, and a gracious human being. She is going to be missed by all those who knew her and, in particular, deeply missed by the right hon. gentleman from Prince Albert.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I associate with my colleagues to extend to the right hon. member for Prince Albert (Mr. Diefenbaker) and his family our most sincere condolences in those circumstances.

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[*English*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill C-19, to amend or repeal certain statutes to enable restraint of government expenditures, without any amendment.

Some hon. Members: Hear, hear!

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THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that the following communication has been received:

Government House
Ottawa

December 22, 1976

Sir,

I have the honour to inform you that the Right Honourable Bora Laskin, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 22nd day of December at 5.45 p.m. for the purpose of giving Royal Assent to a Bill.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière,
Administrative Secretary
to the Governor General.

Mr. Speaker: I would like to take this occasion to extend to all hon. members and others—although I must confess there is some temptation to make certain specific exclusions in respect to the generosity of the invitation—

Some hon. Members: Hear, hear!

[Mr. Broadbent.]

Mr. Speaker: However, in line with notice given if the House should proceed to the consideration of a motion, and if the House should decide in its wisdom that following upon Royal Assent or some hour later today that the House should adjourn for a period of time, as has been the delightful and customary practice in the past it would be my great honour to receive all hon. members and some of their guests later on this afternoon.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*Translation*]

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

First report of Standing Committee on Broadcasting, Films and Assistance to the Arts, in both official languages.—Mr. Douglas (Bruce-Grey).

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

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● (1520)

[*English*]

EXTERNAL AFFAIRS

TABLING OF F.B.I. REPORT ON DEATH OF ANNA MAE AQUASH

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I wish to table in both official languages the text of information provided on September 15, 1976, by the Federal Bureau of Investigation on the investigation into the death of Anna Mae Aquash.

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FISHERIES

TABLING OF CHARTS DELINEATING 200 MILE FISHING ZONE ON EAST AND WEST COASTS

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I wish to table in both official languages the Canadian Hydrographic Surveys charts illustrating the geographic coordinates of the new 200 mile fishing zone to take effect on the east and west coasts on January 1, 1977.

Mr. Speaker: Order, please. Statements by ministers. The hon. member for St. John's East (Mr. McGrath) on a point of order.

Mr. McGrath: This is a point of order, Mr. Speaker, which I think it might be appropriate to raise at this time. If Your Honour will hear me I shall endeavour to be brief.

We are about to hear a statement by the Secretary of State for External Affairs (Mr. Jamieson), and I congratulate and applaud him for making the statement in the House. My purpose in raising my point of order is that yesterday, even though the Minister of Fisheries and the Environment (Mr. LeBlanc) was present in the House for the question period, no sooner was the question period concluded than the minister proceeded outside the House to hold a press conference where he made a very important statement regarding the management of our fishery resources in connection with the implementation of the 200 mile economic zone which is to come into effect on January 1 next.

I appreciate your rulings on this, Mr. Speaker; however, I am concerned that your ruling of December 2, and others that you have made, as well as the precedent set by your distinguished predecessor, Speaker Lamoureux, may be tantamount to a licence for ministers to make policy statements outside the House on topical questions that are before the House, thereby depriving members of the opportunity to reply, in the first instance; second, and equally important, it deprives members of an opportunity to question ministers on their statements.

I raise this point of order in sorrow because of the respect I have for the Minister of Fisheries and the Environment. His contemptuous action yesterday was out of character. I regret very much that the minister chose to make the statement outside the House, and I can only commend to him the excellent example being set today by his colleague, the Secretary of State for External Affairs.

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I will be brief. I am surprised at the hon. member's indignation, when he did not even bother to ask one question on what he called this extremely important announcement of yesterday. It is quite obvious that the hon. member does not listen to his colleague, the hon. member for South Shore (Mr. Crouse), who sits behind him. For weeks now the hon. member for South Shore has been asking questions and I have simply had to say that consultations were going on in regard to this matter, so obviously this was not privileged information of any kind. The document was available to everybody we have been consulting with for the last three months.

Mr. Speaker: Order, please. Statements by ministers.

* * *

ENERGY

CHANGE IN NUCLEAR EXPORT POLICY

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I wish to announce a change in Canada's nuclear export policy, a matter of central concern to the people and Government of Canada, raising as it does fundamental issues affecting world economic growth and world peace.

In this Christmas season our thoughts naturally turn to peace and the brotherhood of man. It is easy to pay tribute to these fundamental goals with words. It is more important that we do so with our actions. It is a challenge to the Government of Canada to respond to the demand of Canadian public opinion that this country exercise its influence toward the betterment of the global society in which we and our descendants must live. In the area of nuclear policy there is no simple answer or it would have long since been adopted. It is rather the need to balance energy requirements, the advance of technology which regardless of what we do will make nuclear capability within the reach of a wider and wider group of countries, and the need to establish a sound international framework which will curb the spread of nuclear weapons and yet take into account the legitimate economic aspirations of sovereign states. I wish to make quite clear, however, that the first priority, indeed the overriding priority, is to prevent the spread of instruments of destruction.

In this context I am pleased to announce that the Canadian government has decided upon a further strengthening of the safeguards requirements which apply to the export of Canadian reactors and uranium. Shipments to non-nuclear weapon states under future contracts will be restricted to those which ratify the Non-Proliferation Treaty or otherwise accept international safeguards on their entire nuclear program. It follows from this policy that Canada will terminate nuclear shipments to any non-nuclear weapon state which explodes a nuclear device.

This requirement is in addition to those outlined in December, 1974. The purpose of the Canadian safeguards policy is simple and straightforward. We wish to avoid contributing to the proliferation of nuclear weapons while at the same time satisfying the legitimate requirements for uranium and technology of countries which demonstrate the intention of restricting Canadian assistance only to peaceful non-explosive uses. Nuclear export policy already requires binding assurances that what Canada provides will not be used for explosive purposes. Existing policy, however, does not cover what a country receives from other suppliers or what it might do on its own. The new policy will close this gap. We will have, therefore, assurance by treaty that Canada's nuclear customers will have been selected from those countries which have made a clear and unequivocal commitment to the non-proliferation of nuclear weapons.

The development of the CANDU reactor has been one of Canada's great technological achievements. This technology is needed to reduce the world's dependence on oil. Moreover, our industrialized trading partners look to Canada as a source of uranium to fuel the nuclear reactor programs which they, like ourselves, have undertaken to meet a growing share of energy needs. In the absence of alternative technologies, developing countries will also look to nuclear power once they have exploited other conventional energy resources and have built up the national power grids necessary for large present reac-

tors. While research into conservation and renewable energy technologies should be intensified, energy planning in Canada and elsewhere must look to energy resources presently available.

While the Canadian government recognizes the legitimate energy requirements of its trading partners, it is determined to do everything within its power to avoid contributing to nuclear weapons proliferation. It is for this reason that the Government of Canada has unilaterally decided to strengthen further Canada's safeguards requirements. As in the past we are prepared to accept the commercial consequences of being clearly ahead of other suppliers. This is the price we are prepared to pay to curb the threat to mankind of nuclear proliferation.

We recognize that for this policy to be fully effective we must persuade other nuclear suppliers to adopt similar export policies. In discussions amongst suppliers we have urged that a collective decision be taken to restrict their nuclear exports to non-nuclear weapon states to those which have ratified the Non-Proliferation Treaty or otherwise accept full scope safeguards. We regret that to date it has not been possible to reach a collective decision to this effect. Canada, however, is determined to assume responsibility where it has the power to act, that is, with regard to Canada's own exports of nuclear equipment, technology and uranium. We are charting a course which we hope will serve as a compelling example for other nuclear suppliers.

With this announcement I am calling on other nuclear exporters to review their own export policies, not in the light of commercial gain but in the interests of maintaining a safe and secure world.

● (1530)

Mr. James Gillies (Don Valley): Mr. Speaker, we thank the Secretary of State for External Affairs (Mr. Jamieson) for making his statement in the House. Occasionally one becomes discouraged while sitting in opposition for it seems almost impossible, even with the best will in the world and what appears to be an almost irrefutable case, to convince the government to change its mind about significant issues. Today we rejoice, because after almost three years, following the leadership of the hon. member for Halifax (Mr. Stanfield) and other members of this House who advocated a change in the government's safeguards policy with respect to the export of nuclear reactors and nuclear devices, the government has taken its first tenuous step to assure that Canada will not contribute further to the proliferation of nuclear capabilities around the world. We applaud this first timorous move in what seems to be the only possible and rational direction.

We have always opposed the government's attitude toward the export of nuclear reactors. Its defence of its past policies has always seemed to us as specious. The argument that our own safeguards are adequate was proven false by the explosion of a nuclear bomb in India, an explosion made possible by the reprocessed fuel taken from a CANDU reactor. That explosion started off a race for nuclear energy in the Far East.

The argument that we must supply our technology to less developed countries is ludicrous in the face of our sales to South Korea and Argentina and discussions with energy rich countries such as Iran. What a strange way to be extending assistance when the AECL hires agents whom they do not even know in order to get contracts. What sort of argument is it that says we are coming to the aid of these countries when we engage in fierce competition in bidding for contracts and lose millions of dollars of the Canadian taxpayers' money in the process? What kind of argument is it that says that we must keep our nuclear industry employed when all the output of that segment of the Canadian economy could be fully employed domestically? Indeed, projections of current heavy water production suggest that we may be short of this integral part of our nuclear program in the early 1980's. There will be a shortage for our own domestic needs.

As the minister knows, the deadline the government set for the renegotiation of uranium exports will run out on December 31 this year. I presume that under this policy shipments will be suspended until new safeguards are put in place. Indeed this will be the test of the will of the government in enforcing these provisions.

Now the government has set forth a policy which will prohibit shipment to non-nuclear weapon states which have not ratified the non-proliferation treaty or otherwise accepted international safeguards with regard to their entire nuclear progam. Surely this should always have been the policy of any responsible government, and we regret that it has only now become the policy of Canada. We hope this is only the first step in the development of new policies with respect to nuclear shipments.

We have argued that the only effective world-wide control is control concerning the reprocessing of spend fuel rods. We hope that Canada will pursue with other countries the development of such a system of control. The non-proliferation treaty must be strengthened and we hope that Canada will show leadership in this regard.

We think that Canada must do more than talk about its moral responsibilities in the world. It must act in a moral way. Our credibility has been shaken in the past four months by revelations of some of our activities abroad. We only hope that the tentative step the government has taken today will reassert our moral leadership in the world.

Finally, we still insist that before contracts are signed for the export of nuclear reactors, uranium or related materials, these contracts should be discussed and ratified by parliament. Surely only parliament in its totality should take the responsibility for exporting these important devices. If the government had brought the Argentinian and South Korean contracts to parliament first, before entering into them, a great many of our present difficulties relating to those contracts could have been avoided.

At this time of good will when all men must pray for peace in what is truly an unstable world, we are pleased that the government is beginning to recognize tentatively its moral responsibilities, not only to Canadians, but to all citizens of

this small planet, its responsibilities relating to nuclear expansion.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I thank the Secretary of State for External Affairs (Mr. Jamieson) for sending me a copy of his statement. It is admirable in its rhetoric; unfortunately its substance is somewhat dubious. I understand that the key to the statement concerns shipments to non-nuclear states. In future contracts will be restricted to those which ratify the non-proliferation treaty or otherwise accept international safeguards. In our view the important question is, how enforceable are these safeguards? I presume the international safeguards referred to in the statement are those administered by the IAE in Vienna, an organization which has inadequate staff to do the required policing and inspection.

We think that we should consider the question of alternatives. First, we believe that we should not enter into an agreement with a country which will not sign the non-proliferation agreement. Surely that is an important statement of intent. Such countries should also accept full inspection, not only by the IAE, but by Canada, and should accept Canadian control of radiation waste. These should not be alternatives. If we do not have that minimum assurance, we have no assurance. We would depend, as the previous minister said, on the good will and good intent of the people signing such agreements. In the world of today that is definitely not enough. There are many unstable countries in the world today; with unerring skill the government has picked the most unstable to which to ship nuclear reactors. I am referring to South Korea and the Argentine.

The British not long ago appointed a royal commission to look into the entire question of the development of nuclear energy. It reported recently, and pointed out that a major danger in the proliferation of nuclear reactors is the danger that terrorists, or those who exercise illegal powers within states, will obtain control of some waste materials and transform them into plutonium and nuclear weapons. They think that is one of the major dangers. And what have we done? We are to supply a reactor to the Argentine, a country in which, admittedly, extra-legal bodies wander around enforcing the law. In that country the machinery of law enforcement is out of control.

I will not pause to suggest that apparently we are working hard to secure contracts which will provide us with a deficit. I do not know if it has been proved that moneys paid to agents were used for bribery; but if that is true it is most strange. We are one of the few countries in the world which has ever paid money to secure unprofitable contracts. The same remarks apply to Korea. Anyone who has studied the situation in South Korea as well as North Korea will know that the authorities there have, without concealment, indicated their willingness to use force to suppress the freedom of their own people.

• (1540)

The international strategic studies dealt with this whole question. They said that in their view the attempt to control the spread of nuclear proliferation was a promising attempt, but not a radical barrier. I want to say that I think we have here a credible intent but not a radical barrier.

I understand we are dealing now with Japan, Switzerland, and the EEC countries through Euratom. I would like the minister to tell us, if he can, just what is the situation with regard to our nuclear dealings with those countries. Have they ratified, or do they propose to ratify before the deadline which expires on December 31 agreements on that subject?

I conclude by saying that this is indeed a step forward. In so far as it is a step forward, I congratulate the minister and the government. Using the very language that is used here about the overriding priority, the importance of actions rather than words, and the fact that this issue we are discussing affects world economic growth and world peace, I say to the minister that this is only a step. I think it was the hon. member for Don Valley (Mr. Gillies) who said it was a faltering step.

We are engaged in a long process. Let us not fool ourselves by thinking that what we have done here is indeed the answer to the problem.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I listened very carefully to the statement of the Minister of External Affairs (Mr. Jamieson) which I support without reservation.

I noticed, among other things, the passage in which it is said that Canada unilaterally decided to reinforce its safeguards requirements. On this matter, I support the minister's statement personally and on behalf of my colleagues.

[*English*]

Mr. Lawrence: If you will allow me, Mr. Speaker, I will put two or three short questions about merely one sentence in the whole statement by the minister. It is the only sentence that really means anything. It states: "Shipments to non-nuclear weapon states under future contracts will be restricted to those which ratify the non-proliferation treaty or otherwise accept international safeguards on their entire nuclear program." My three or four questions relate only to that one sentence.

First, where does this leave the Pakistani situation, the supply for the CANDU reactor outside of Karachi? My understanding is that Pakistan has not signed the non-proliferation treaty. If we can believe the president of Pakistan in his public statements, reported by reliable news services and wire services of the world, he has no intention either of accepting anything covered by such an ambiguous statement or accepting international safeguards on their entire nuclear program. Where does this leave the Pakistani supply?

Second, why does this have to relate to future shipments only? Everything else around here seems to be done in a retroactive way. Why are these restrictions not being applied to Argentina and South Korea, for example?

My final question is, what does the government mean by international safeguards? Is it talking about those rather vacuous and meaningless regulations coming out of the Vienna

based organization, or the rules which we have not yet been privileged to see of the so-called Nuclear Supplier Club of nations which apparently may have some real meat in them, in view of the recent very welcome decision of one of the two bad apples in the nuclear barrel, mainly the decision of the French government to prohibit any future supplies to any nation building a reprocessing plant? My three or four questions to the minister—

Mr. Speaker: Order, please. The hon. member has already put three or four questions.

Mr. Lawrence: The minister was having difficulty in finding a pen that works, like everything else around here that does not work. If he has those four questions, may I have an answer?

Mr. Jamieson: I think I can answer, Mr. Speaker. As I recall, the first had to do with Pakistan, the question of why not retroactivity and what is meant by international safeguards. As I answered in the House yesterday, it is clear that the requirements of this new policy certainly do and will apply to the Pakistani situation.

During recent days and weeks I have instructed our officials in Pakistan to enter into what I believe I described yesterday as last stage or last minute negotiations. I can report to the House today that no satisfactory commitment has been achieved in terms of a Pakistani undertaking. Therefore for all practical purposes the nuclear co-operation between Canada and Pakistan is effectively at an end.

We have already indicated, and will continue to do so, that if Pakistan wishes to adhere to both the provisions which were submitted to it previously, and also those which were stated today, we will be glad to resume negotiations and co-operation, but as of the moment the situation is that no further supplies will be made available. In addition, no further assistance from Canada will be provided in terms of dealing with the existing plant in Pakistan.

With regard to retroactivity, the question becomes one of legality in terms of the contracts which are already in place and the like. It was not deemed by the Government of Canada to be in the best interests of the country to abrogate or in any way change contracts which in some instances had been entered into a long time ago with, of course, the exception of the Pakistan one which I referred to, and the Indian one with which hon. members are familiar.

It was generally felt, and I think with some reason, that in terms of our trading reputation, not only in nuclear equipment and the like but also in other matters, that retroactivity would not have been the appropriate course to take. My colleague, the Minister of Energy, Mines and Resources (Mr. Gillespie), reminds me of the upgrading of the contracts which we have already achieved in some of the cases referred to by hon. members.

The international safeguards would be the ones to which the international community now subscribes. I do not quarrel if it was the intent of the hon. member's statement that these are to some degree unsatisfactory or somewhat inadequate. However, as a member of the international community, there is very little that Canada itself can do beyond participating in whatever level of agreement has been reached at any moment in time. We are, of course, most active members of the suppliers' club, the group that was referred to and which is meeting regularly in London. As I indicated in my statement, we are very much in the forefront of urging that the international safeguards be improved and also that these other countries take the steps which Canada has taken.

The hon. member for Don Valley (Mr. Gillies) may very well be right if he is describing it in a world context when he says this is a rather timid step. However, I remind him, and I think he will agree, it also puts Canada many steps in front of every other supplier in the world in terms of the kinds of conditions it places on international sales. I hope I have done some justice to the hon. member's questions.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I would like to ask a couple of questions, particularly in light of the numerous statements we have heard in this House from the Prime Minister (Mr. Trudeau) and other members of the government concerning the strength, vigour, and rigour of the safeguards we impose. Now we find they were not as rigorous as was imagined and that something more has to be done. Would the minister be prepared to let us have a list of the present potential CANDU customers, with a comparable list showing those which have signed, or not signed, the safeguards convention? I have a couple of other questions I should like to ask.

• (1550)

Mr. Jamieson: I guess it is only natural to proceed in this way but I would hope we could carry on this question and answer period without being unduly argumentative, in the sense that we are all anxious to reach the same objectives. The hon. member talked about the previous regime of 1974. Those of us who spoke about it indicated that it, too, was ahead of the international community in the application of safeguards. We have now gone beyond that. As I said in my statement, we are now closing what was clearly one of the gaps in that program. This was an endeavour to supply some leadership to the international community, members of the suppliers club with whom we are dealing.

The second question had to do with the uranium safeguards. This matter was also raised by the spokesman for the New Democratic Party. We have until the end of the year, as was stated, to conclude an arrangement with Euratom, which is the nuclear agency for the Economic Community, and with Japan and Switzerland. Within Euratom it is possible that bilateral arrangements may take the place of Euratom-Canada arrangements because, to the best of my recollection, there are three countries with which we are dealing. In any event, as things stand at the moment we are still negotiating with Euratom, and considerable progress is being made. We shall not know for another few days whether or not they will be successfully concluded before the end of the year. The same

situation exists with regard to Japan. Switzerland, we have been advised, is very close to signing the NPT and thereby qualifying to receive continuous supplies.

Mr. Munro (Esquimalt-Saanich): The minister did not mention either Korea or Argentina and the possibility of these more rigorous safeguards affecting sales, or otherwise, in these particular instances. He did not tell us whether the suggestion that one of these countries might be attempting to acquire an enrichment plant is a factor which might prevent our selling a CANDU reactor in such circumstances.

Mr. Jamieson: Is the hon. member referring to an enrichment plant or to a reprocessing plant? Or does he anticipate that a country would only get an enrichment plant if it had the intention of getting a reprocessing plant? I take it he is referring to a reprocessing plant for all practical purposes. It is hypothetical, of course, unless we knew the country concerned, but as I indicated in answer to the question with regard to Pakistan, we have made it perfectly obvious that under no circumstances will we continue co-operation with Pakistan if that country acquires a reprocessing plant as presently suggested. In a couple of other cases, Korea being one, and Argentina, as I recall, being the other, we did succeed in getting a commitment not to acquire reprocessing plants before the agreements were signed. Again, I am not quite clear whether the hon. member was talking about future sales or not. If he was talking about future sales, then in the case of both Argentina and Korea any future sales in either of those countries would be in accordance with the policy I announced today.

Mr. Speaker: I propose to conclude the questioning by recognizing the hon. member for Greenwood, the hon. member for Kingston and the Islands, the hon. member for Don Valley, and the hon. member for Wellington.

Mr. Brewin: In replying to the hon. member for Northumberland-Durham (Mr. Lawrence) I understand the minister implied that it was intended to proceed with the terms of the agreement to supply a reactor to Argentina. I believe he said the reason for this was that we had signed a contract and it was advisable to live up to our contracts. I want to put this to him, though. I know the question of whether some inducement was paid to members of the former government of Argentina is an open one, still under investigation. But if it were found that some moneys were paid to people representing that government, would the hon. gentleman undertake to obtain advice from the proper source as to the legality of the contract and whether this would not give us an opening to say that the contract was an unprofitable one and that we did not wish to proceed with it?

Mr. Jamieson: I am sure the hon. member realizes that the question he has just asked is hypothetical, and one on which I am reluctant to make any judgment or observation at the present time. My reference to contracts was in general terms and had to do with those which are valid, legal and, in every sense of the word, binding upon the government. In terms of the hon. member's question, I do not know whether any particular contract in Argentina or elsewhere falls into that category. That is not my ministerial responsibility. I was saying that in cases where we have made commitments we would, of course, honour those commitments.

While I am on my feet may I refer to the last answer I gave? I said I thought we had some success in getting a reprocessing plant decision reversed in Argentina. I am speaking from memory, and I am by no means sure whether that is correct or not. I am sure it is correct in the case of Korea and, of course, in the case we are talking about, Pakistan.

Miss MacDonald (Kingston and the Islands): My question relates to the approved licensing agreement between AECL and P.M. Nucliari which gives the latter company the right to design, make and sell CANDU reactors in Italy and, in five years' time, to sell CANDU reactors to other countries. As is usual, we have not seen the terms of this agreement but I should like to ask the minister whether, under those terms, Canada has any veto power over sales by the Italian company to other countries which may not have ratified the NPT.

Mr. Jamieson: The hon. lady will, I am sure, appreciate my position. I am not talking in legal language, but my understanding is, and I am quite certain I am correct, that our arrangement with Italy in the case she has mentioned is that all the Canadian requirements with regard to safeguards and the like are accepted in the technical agreement and must be adhered to by the Italian exporter in time on the sales it makes. In other words, it would be the same as if Canada were applying its own safeguards.

Miss MacDonald (Kingston and the Islands): I should like to direct the minister's attention to the post five-year period in which Italy would have the exclusive right to sell abroad. I should like to know what sanctions Canada will be able to apply if P. M. Nucliari went ahead and sold to countries which were not approved. What kind of control would Canada be able to exercise over such sales once the technology was in the hands of another country?

Mr. Jamieson: Let me repeat what I said a few moments ago. For the length of the arrangement, looking five years down the road, the Canadian safeguard requirements would be a total obligation on the Italian exporter using the Canadian technology. In other words, technology is covered by the statement I made today. As to the second point with regard to the reinforcement question, again I would have to look at the legal language but the safeguard agreement to which I referred a few moments ago would either be with Euratom or with Italy bilaterally, so it would be between the governments of Italy and of Canada, and presumably we can assume that the Italian government is going to live up to its word.

Mr. Gillies: It is my understanding that if the Government of Canada is not able to gain acceptance of these new safeguards between now and the end of the month, with the Euratom countries or any countries to which it is selling uranium, no sales will be made to those countries. Are these

new safeguards to apply in the renegotiation of agreements for supplies of uranium to any country which does not live up to those safeguards?

● (1600)

Mr. Jamieson: I understand the hon. member's question, but with respect I should point out that there is a difference in that the countries that I referred to in terms of uranium sales are already, with the exception of France, NPT signatories, and therefore in that sense they meet the requirements of the policy.

Over and above that, however, we have safeguards agreements, bilateral ones, relating to the sale of Canadian uranium, and it is that issue which is in question in terms of the countries I mentioned—Euratom, Switzerland and Japan. It would not be a matter of adhering to this policy; it would be in some respects something beyond this particular policy because it would be a specific bilateral arrangement between us.

I might point out that while progress has been made, the problem with the Euratom situation in particular is that there are some nine governments involved, and it has not been easy to get all of them together and to meet precisely the same commitments. That is why I mentioned, as an alternative, the possibility of bilaterals. If at the end of the year there is no agreement in place for a continuation, we would have to decide whether progress was sufficient to allow us to continue shipments on an interim basis or if we would simply disrupt shipments as of December 31.

Mr. Gillies: Just to make it absolutely clear in my mind, do I understand from the minister's answer which he has just given that the safeguards announced today will not cover the export of uranium which has been renegotiated?

Mr. Jamieson: Yes, it will.

Mr. Gillies: Then that is where I am in difficulty with the minister's answer. In the case of France and other Euratom countries to which we export uranium, but particularly France, the policy of the government is to negotiate a bilateral agreement rather than have this safeguard apply to the particular contracts which are coming up for renegotiation. Am I correct in that?

Mr. Jamieson: I can genuinely appreciate the hon. member's problem because I had it myself for quite a while before I finally began to understand it. I should make the side comment with regard to France, which is not covered by the policy because it is a nuclear weapons state. In the other cases, Canada has had for many years a uranium export policy. There are safeguards under the uranium export policy which are somewhat different from the over-all policy that I have enunciated today regarding the sale of CANDU's, technology and all the other things, but also including uranium. Therefore a uranium customer would have to meet the requirements of the general policy, and in addition to that would also have to meet the requirements of the bilateral safeguards which Canada has had for many years and which have been changed quite frequently with regard to the sale of uranium to individual customers.

I should point out that in the case both of the European customers and Japan they are already signatories to the NPT. That is what makes the decision whether we continue to ship or not one which can only be decided at the last moment when we hear how far the negotiations have gone. If it appears that we are in sight of signing, that would make for quite a different situation than if there were a total refusal to accept our bilateral safeguards. I hope I have made the situation somewhat clearer for the hon. member.

Mr. Maine: Mr. Speaker, my question stems from the comments of the hon. member for Don Valley (Mr. Gillies) and his reply to the statement by the Secretary of State for External Affairs (Mr. Jamieson). I am afraid he inadvertently misled the House when he said that India exploded a nuclear device from material obtained from a CANDU reactor. That is not true, Mr. Speaker. A CANDU reactor produces electricity; it is a research reactor that produced the plutonium which India used to make a nuclear device.

My question relates to research reactors and the reactors used for making nuclear devices. It is Canada's policy now to stop the export of research reactors, as it did after helping India establish the technology needed to explode a device? If it is not Canada's policy now to export technology enabling countries to construct research reactors, do these safeguards that have now been announced take this fact into account and safeguard Canada from any further misuse of technology derived from Canada?

Mr. Jamieson: Mr. Speaker, I learned long ago not to argue with a scientist. I think I will take that question as notice, except to say that I recall having discussed very small reactors for medical purposes, or some kind of nuclear device for medical research purposes. I would have to get behind the curtains with the hon. member to understand fully the import of his question. There is only one policy and that is the one we announced today. I believe that the only possible exceptions to it might be, as I said, very small units designed for medical research, but I am subject to correction on that highly technical point.

Mr. Speaker: Order, please. There is no hope of concluding the questioning with one question on either one side or the other. I did indicate earlier that I would conclude with the question of the hon. member for Wellington (Mr. Maine). I now see several other hon. members who are interested. If the Standing Order asks me to make a judgment during the course of the questioning as to how long the questioning should go, I always try to base that judgment on the number of members seeking the floor at that time. Having made that assessment, sometimes other hon. members seek the floor and this puts the Chair in a difficult position. I feel that under the circumstances I have given fair spread and variety to the questioning and that we should conclude it at this point.

Mr. Gillies: Mr. Speaker, may I rise on a question of privilege. I may have misspoken when I said "CANDU". I do know that it was a research reactor, and I stand corrected. However, I am sure that the hon. member knows that it was a research reactor which did come from Canada, which did produce plutonium, and which did eventually lead to the bomb.

Mr. Speaker: Order. I understand that the President of the Privy Council (Mr. MacEachen) has a motion standing in his name.

Mr. Knowles (Winnipeg North Centre): No.

Mr. Speaker: The only reason I am asking is that there are questions on the order paper. I wonder whether hon. members might want to give their consent to my now calling questions on the order paper before calling motions?

Some hon. Members: Agreed.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 43, 134, 501 and 911.

[*Text*]

RCMP INVESTIGATION—MAILING LISTS

Question No. 43—Mr. Cossitt:

1. What is the name and address of the person, persons, or company to which Post Office Box 220, Ville Mont-Royal, Quebec is rented?

2. Is the RCMP investigating any Canadian publications or companies who have sold or in any way forwarded mailing lists to persons in the Soviet Union for purposes of soliciting subscriptions to magazines printed in English in the Soviet Union and, if so (a) what are the results of this investigation (b) has the RCMP any knowledge of how persons in Moscow obtained mailing lists of those in Canada holding Chargex and Master Charge cards?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Post Office Department and the Department of the Solicitor General as follows: 1. It is post office policy to regard the information requested as confidential and not to disclose it without the customer's permission.

2. Yes. (a) Periodica International Subscription Agency purchases mailing lists from various firms (Canada and the United States) and sends them to the editors of three Soviet magazines. Subscription order forms are subsequently sent out from Moscow. (b) No.

Order Paper Questions

DEPARTMENT OF NATIONAL REVENUE—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 134—Mr. Orlikow:

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Department of National Revenue?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Hon. Monique Bégin (Minister of National Revenue): 1 and 2. (a) $34,573.44.

Contractor	Cost
Leo J. Roghmans	$ 4,660.00
Prof. H. Arkin	$16,830.00
Management Consulting	$10,225.00
J. C. Neville	$ 2,858.44

(b) $281,389.

Contractor	Cost
Public Service Canada	$18,000
Bureau of Management Consulting	$ 5,625
Dr. O. R. Porebski	$ 4,500
Stimler Associates Inc.	$ 3,864
Unisearch consultants	$ 2,500
A.M. Systems Consultants	$17,000
A.M. Systems Consultants	$30,000
Daniel A. Arbuckle	$ 5,000
B. Aubrey	$ 5,000
D.S.S. Bureau of Management Consultants	$10,000
D.S.S. Bureau of Management Consultants	$ 3,750
D.S.S. Bureau of Management Consultants	$ 6,000
D.S.S. Bureau of Management Consultants	$17,500
D.S.S. Bureau of Management Consultants	$ 9,500
D.S.S. Bureau of Management Consultants	$ 8,600
D.S.S. Bureau of Management Consultants	$20,000
D.S.S. Bureau of Management Consultants	$ 4,000
D.S.S. Bureau of Management Consultants	$ 8,900
D.S.S. Bureau of Management Consultants	$ 5,000
D.S.S. Bureau of Management Consultants	$14,000
Currie, Lehman & Associates Ltd.	$ 3,250
Dynamics Research Corporation	$ 4,500
Dynamics Research Corporation	$10,000
Heal, Shaw, Walden Ltd.	$ 5,000
S.P.L. International	$11,900
S.P.L. International	$43,000
J. G. Wilson	$ 5,000

3. (a) $41,664. (b) $41,857.

CANE SUGAR COMPLEX UNDER EXPORT DEVELOPMENT CORPORATION

Question No. 501—Mr. Herbert:

What are the terms and conditions under which the Export Development Corporation financed an industrial cane sugar complex for the Republic of the Ivory Coast?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Export Development Corpo-

ration states: on August 11, 1976, EDC and four Canadian banks made an agreement to lend $50 million to the Société pour le développement des plantations de canne à sucre, l'industrialisation et la commercialisation du sucre, to finance a sale by Redpath Industries Limited and Redpath Sugars Limited, Montreal, of goods and services for the development of a sugar cane estate and the construction of a raw sugar factory. Repayment is to be by 20 semi-annual instalments beginning six months after completion. EDC also provided a guarantee for loans by banks up to $5 million.

GROSS NATIONAL PRODUCT

Question No. 911—Mr. Mazankowski:

1. For each of the past three years, what were the estimated yearly GNP figures given at the end of each quarter?

2. For the same years, what were the final revised GNP figures?

3. For the same years, what were the sources of discrepancies which resulted in subsequent revisions of the GNP figures and what was the dollar amount each was in error?

Hon. Donald S. Macdonald (Minister of Finance): See the following tables. 1 and 2. The following table indicates the GNP figures (seasonally adjusted at annual rates) for each quarter from 1973 to 1975. In every quarter, the latest estimate is higher than the first estimate.

Gnp Estimates by Quarter 1973-75

		First Estimate		Latest Estimate	
		($ millions)	Year-over-year percent changes	($ millions)	Year-over-year percent changes
1973	I	112,584	13.4	115,828	15.7
	II	115,992	13.2	119,380	15.4
	III	119,080	14.4	124,128	17.7
	IV	125,208	16.1	130,992	19.5
1973	First annual average	118,678	15.3	122,582	17.1
1974	I	132,060	16.9	137,708	18.9
	II	137,608	18.5	141,876	18.8
	III	142,672	18.3	148,304	19.5
	IV	144,120	14.5	150,576	15.0
1974	First annual average	139,493	17.5	144,616	18.0
1975	I	146,512	9.1	153,340	11.4
	II	150,344	8.5	157,408	10.9
	III	157,432	9.0	164,776	11.1
	IV	161,944	10.8	169,004	12.2
1975	First annual average	154,752	10.9	161,132	11.4

NOTE: The first annual average figures are published at the end of each year and incorporate any revisions to the quarterly figures made during the year. Accordingly, the annual average figure cannot be calculated from the first quarterly figures given here.

3. The first estimate of GNP for 1975 was $154,752 million, while the latest estimate is $161,132 million. The following table indicates the sources of the difference on a GNP basis.

	($ millions)	Percent Share
Wages, Salaries and Supplementary Labour Income	3,961	62.1
Military Pay and Allowances	2	0.0
Corporate Profits before Taxes	819	12.8
Dividends paid to Non-Residents	– 90	– 1.4
Interest and Miscellaneous Investment Income	420	6.6
Accrued Net Income of Farm Operators from Farm Production	50	0.8
Net Income of Non-Farm Uninc Business including rent	154	2.4
Inventory Valuation Adjustment	133	2.1
Indirect Taxes less Subsidies	601	9.4
Capital Consumption Allowance	9	0.1
Residual Error	321	5.0
Total Difference	$6,380.	

In its publication "National Income and Expenditure Accounts, Second Quarter, 1976", Catalogue No. 13-001 Quarterly, Statistics Canada has provided a detailed explanation of the revisions. See particularly, pp. xv to xxi.

[*English*]

Mr. Goodale: I ask, Mr. Speaker, that the remaining questions be allowed to stand, and that all notices of motions for the production of papers be allowed to stand at the same time.

Some hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

* * *

HOUSE OF COMMONS

CHRISTMAS ADJOURNMENT

Hon. Joseph-Phillippe Guay (Minister without Portfolio): moved:

That, when the House adjourns on December 22, 1976, it shall stand adjourned until January 24, 1977, provided that at any time prior to that date if it appears to the satisfaction of Mr. Speaker, after consultation with the Government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time;

And that, in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for the purpose of reconvening the House.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, if I might rise on a point of order, I do so for two reasons. First, I want later to seek consent to move a motion giving a reference to the Standing Committee on External Affairs and National Defence. I want hon. members to tuck

that into the backs of their minds so that we can do it following the motion that stands in the name of the Minister of State.

Mr. Knowles (Winnipeg North Centre): Minister without Portfolio.

Mr. MacEachen: Minister without Portfolio. I was following the Speaker's latest pronouncement.

• (1610)

We have had some unexpected developments since the House opened this afternoon which have changed the character of the discussion and the length of our proceedings to the point where it may not be possible to do justice to the motion standing in the name of the Minister without Portfolio (Mr. Guay), or do justice to at least the commencement of the debate on the introduction of television and broadcasting into the House of Commons.

Following consultations it is agreeable to me, upon passing this adjournment motion without debate, if we then recessed until the call of the Chair for Royal Assent. We would not proceed with the debate on the introduction of television or on the adjournment motion, because in the circumstances one or the other would be bound to suffer, so we want to let them suffer equally.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have tucked in the back of my mind the question of the order of reference referred to by my colleague, the government House leader, and the other matter raised by him. I should like to say that we are prepared to concur.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Spirit, in the same vein—

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, first may I say that we too will agree to the motion which has been suggested regarding the giving of a term of reference to one of the standing committees. As for the immediate suggestion by the President of the Privy Council, I join with the House leader for the official opposition in saying it makes good sense. Things have happened today that we did not anticipate. There is not enough time left to do justice either to the adjournment motion, when we could point out all the sins of the government and so on, or to the motion to bring television into the House. I think it makes good sense for us to rise at this point and come back when you learn, Mr. Speaker, that the time has come for us to go to the other place for Royal Assent.

While I am on my feet, if this all goes through and we come back at a quarter to six for a trip to the other place for Royal Assent, there may not be any opportunity for anyone to say anything. Therefore may I have the honour and the privilege to be the first one to say it, Merry Christmas, Mr. Speaker, and Merry Christmas to all.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I think my colleagues would not object to my adding that we agree to the suggestion that we adjourn immediately.

[*English*]

Mr. Speaker: May I simply say to the hon. member for Winnipeg North Centre, before seeing the President of the Privy Council (Mr. MacEachen) again that I remain Mr. Speaker while I am in this Chamber. I only become "Mr. Spirit" when we move across the hall to Room 16.

Some hon. Members: Oh, oh!

Mr. MacEachen: Mr. Speaker, again on a point of order, could I get consent to put the motion giving a reference to the standing committee on External Affairs and National Defence?

Mr. Speaker: Order, please. There may appear to be two or three questions before the House at the same time. In fact I think there are not. The question that has been put by the Minister without Portfolio (Mr. Guay) is before the House, and in its terms it says "when the House adjourns on this day". We are still under motions at the present time. Therefore, to be orderly, I would ask the House to address itself to that motion. That leaves it open for us, having completed all our other business, to call the other motion, after which we might adjourn, for the adjournment motion by its very terms would prevail. The House has heard the terms of the motion relating to the adjournment of the House in the name of the hon. Minister without Portfolio, seconded by Mr. Buchanan. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

EXTERNAL AID

INTERNATIONAL DEVELOPMENT—REFERENCE TO STANDING COMMITTEE ON EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Hon. Allan J. MacEachen (President of the Privy Council) moved:

That the Standing Committee on External Affairs and National Defence be empowered to examine and report upon the full range of policies of Canada in the field of international development with particular reference to economic relations between developed and developing countries.

Mr. Speaker: The House has heard the motion. Does it in fact give its consent to the introduction of the motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

Royal Assent

Mr. Speaker: Order, please. Orders of the day. If there is no further business, it being an appropriate time to adjourn the House, the House stands adjourned until the call of the Chair later on this day.

Mr. Knowles (Winnipeg North Centre): Should it not be recessed, Mr. Speaker?

Mr. Speaker: The House stands in some sort of abeyance until the call of the Chair at a time close to 5.45 p.m. In relation to my earlier announcement, in case there is any doubt in anybody's mind, I extend an invitation forthwith to a reception in Room 16.

At 4.20 p.m. the sitting was suspended.

The House resumed at 6 p.m.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

● (1810)

[*Translation*]

And being returned:

Mr. Speaker informed the House that the Deputy Governor General has been pleased to give, in Her Majesty's name, the Royal Assent to the following bill:

Bill C-19, An Act to amend or repeal certain statutes to enable restraint of government expenditures—Chapter No. 3.

[*English*]

It being after six o'clock p.m., pursuant to order made earlier this day this House stands adjourned until Monday, January 24, 1977, at 2 o'clock p.m.

If we have not adequately done so already may I take this occasion to wish everyone in the Chamber, and all their friends and families, a very Merry Christmas and Happy New Year.

At 6:04 p.m. the House adjourned until 2 p.m., January 24, 1977, pursuant to special order made this day.

HOUSE OF COMMONS

Monday, January 24, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

VETERANS AFFAIRS

PROPOSED REFERENCE OF VETERANS CANADA REPORT 1975-76 TO COMMITTEE—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, under the provisions of Standing Order 43 I wish to move a motion on a matter of urgent and pressing necessity. The hardships caused to widows of deceased war veterans whose disability pensions were below 48 per cent and the fact that present legislation denies them a widow's pension require the immediate attention of the government. I therefore move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That in order to deal with the matter the Veterans Canada Report for 1975-76 be immediately referred to the Standing Committee on Veterans Affairs.

Mr. Speaker: Such a motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH

SUGGESTED REFERENCE OF ALLEGATION OF ARSENIC POISONING IN YELLOWKNIFE TO COMMITTEE—MOTION UNDER S.O. 43

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I rise under the provisions of Standing Order 43 regarding a pressing and urgent matter, namely, that serious allegations have been made regarding a deliberate cover up by the Department of National Health and Welfare of the problems of arsenic poisoning around Yellowknife. I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House immediately refer the problem of arsenic poisoning and its effects on the health and safety of the residents of Yellowknife to the Standing Committee on Health, Welfare and Social Affairs.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

TRADE

SUGGESTED REDUCTION OF TEXTILE AND CLOTHING IMPORTS—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with a matter of urgent and pressing necessity.

Since the textile industry is constantly deteriorating, which results in the dismissal of a considerable number of workers, and since this worsening problem particularly affects Quebec and Ontario, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the House allow the Standing Committee on Finance, Trade and Economic Affairs to consider immediately the possibility of reducing textile and clothing import quotas as well as the effects which that measure could have on our grain exports.

Mr. Speaker: Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

PROPOSED REFERENCE TO COMMITTEE OF EFFECT OF REMOVAL FROM SERVICE OF SHIPS OPERATING BETWEEN NORTH SYDNEY AND NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I rise at this time under the provisions of Standing Order 43 on a matter of extreme and urgent necessity relating to the drastic reduction in the employment of stevedores and others by Canadian National at North Sydney as a result of the removal by Canadian National of ships from service between the port of North Sydney and Newfoundland. I therefore move, seconded by the hon. member for Central Nova (Mr. MacKay):

Penitentiaries

That the government undertake an immediate inquiry into the employment cutbacks that would take into consideration the numerous representations I have made inside and outside this House as well as the representations that have been made to the Minister of Transport by the mayor of North Sydney and other delegations, including local 1259 of the International Longshoremen's Association . . .

Mr. Speaker: Order, please. The presentation of such a motion, pursuant to Standing Order 43, can only be done with the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH

POSTPONEMENT OF SWINE INFLUENZA VACCINATION PROGRAM—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the fact that public confidence in the swine 'flu vaccination program has been seriously eroded by a possible relationship to a post vaccination paralysis, that there have been many difficulties in supply, production and distribution of the vaccine, that 1.6 million doses are not usable at all and that there is no evidence of an epidemic developing, I move, seconded by the hon. member for Peace River (Mr. Baldwin):

That the program be shelved for now and be reinstituted only if there is evidence of an epidemic developing.

Mr. Speaker: Such a motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PENITENTIARIES

SUGGESTED SITE FOR LOCATION OF MEDIUM SECURITY INSTITUTION IN NEW BRUNSWICK—MOTION UNDER S.O. 43

Mr. Mike Landers (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43. In view of the fact that a number of Saint John, New Brunswick citizens are concerned about a proposal to build a medium security prison within the Saint John city limits, and in view of the fact that my government and I would not want inmates to suffer the trauma of that "unwanted feeling", I move, seconded by the hon. member for Northumberland-Miramichi (Mr. Dionne):

That this House encourages the Department of the Solicitor General to seek an alternative to the proposed prison site within the Saint John city limits, and preferably the new location would be in the Blue Mountain or Renous areas of New Brunswick.

[Mr. Muir.]

Mr. Speaker: A motion under Standing Order 43 can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

MANPOWER

EXTENSION OF DEADLINE FOR YOUNG CANADA WORKS PROGRAM—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise to move a motion under the provisions of Standing Order 43. In view of high regional unemployment among young people, especially in Atlantic Canada, where a 1976 summer survey in Glace Bay, for example, found 77 per cent of young people unemployed, and in view of the fact that the deadline for Young Canada Works is February 4, which is much too early for young people to apply for aid under this new program, I move, seconded by the hon. member for Brant (Mr. Blackburn):

● (1410)

That the Minister of Manpower and Immigration extend the application deadline for Young Canada Works to April 1, 1977.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such a motion cannot be presented to the House without its unanimous consent. Is there unanimous consent?

Some hon. Members: No.

* * *

PUBLIC SERVICE

STATUS OF WALTER RUDNICKI—LIST OF INDIVIDUALS ALLEGEDLY FORMING EXTRA-PARLIAMENTARY OPPOSITION—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43, relating to a serious matter having grave implications for parliament, the public service and civil liberties in this country, namely, the matter of Mr. Walter Rudnicki, who was wrongfully dismissed from the public service of Canada as was confirmed by Mr. Justice O'Driscoll of the Ontario Supreme Court in an action against this government. I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the status of Walter Rudnicki and all those factors which, as yet, have not become public knowledge but which had a direct bearing on the action the government took, be made public in the form of a motion either by the Prime Minister or a minister whom he considers appropriate and, in particular, that this motion deal with the existence or otherwise of a list reported to contain names of individuals who allegedly form an extra-parliamentary opposition to the government.

Mr. Speaker: Order, please. Such a motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: No.

* * *

GRAIN

REQUEST FOR BREAKDOWN OF MONEYS RETAINED BY WHEAT BOARD FOLLOWING FINAL PAYMENT TO FARMERS—MOTION UNDER S.O. 43

Mr. Arnold Malone (Battle River): Mr. Speaker, I rise to move a motion under the provisions of Standing Order 43, one of urgent and pressing necessity. In view of the fact that the final payment to grain farmers in the Canadian Wheat Board region was shockingly low for 1975-76 crop year, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That the Minister in charge of the Wheat Board commence forthwith to indicate to the individual prairie farmers what moneys were held back by the Canadian Wheat Board and give a breakdown on the various allocations of retained money.

Mr. Speaker: Order, please. Such a motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: Oral Questions.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT—REQUEST FOR STATEMENT ON GOVERNMENT MEASURES TO ALLEVIATE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Prime Minister which deals with the very unhealthy state of the economy, particularly as it affects unemployment. The Conference Board of Canada predicted this month that Canada is about to face its worst unemployment rate since the second world war and forecast in excess of 8 per cent unemployment by year's end. Does the Prime Minister agree with this forecast and if not, does he envisage a decline by the year's end of the 7.5 per cent December rate of unemployment which left some 778,000 Canadians out of work, which numbers are growing every day? Has the Prime Minister an answer to that question?

Mr. Baker (Grenville-Carleton): He has no answer.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, hon. members are aware that a number of measures have been taken already, for example the

lowering of the bank interest rate, which we expect will have positive effects on the economy. Work is presently under way within the department on the preparation of a budget. It will be considered and brought forward some time before the summer.

Mr. Alexander: Mr. Speaker, you know what we think about parliamentary secretaries answering questions—

Some hon. Members: Hear, hear!

Mr. Alexander: —especially when they are directed to the Prime Minister. To paraphrase the right hon. member for Prince Albert, when we are after elephants we are not looking for answers from rabbits.

Some hon. Members: Hear, hear!

Mr. Alexander: I hope the Prime Minister can answer this question and give the House the opportunity to hear what he has to say with respect to the concern of many Canadians about what the government thinks regarding this very unhealthy state of the economy. Will the Prime Minister undertake to make a statement in this House as soon as possible, preferably within a week, regarding the state of the economy, tabling at the same time the government's economic forecasts and analyses for the year 1977 affecting unemployment, job creation, real growth and inflation? Is the government going to maintain its usual silence and secrecy in the face of grim forecasts reported by the OECD, the University of Toronto Institute for Policy Analysis and the Conference Board of Canada? Will the Prime Minister undertake to make a statement with respect to the state of the economy, dealing with those matters which I just mentioned?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this kind of statement in the normal course would be made by the Minister of Finance.

Mr. Alexander: Mr. Speaker, I am amazed that the Prime Minister does not think these matters of great concern and that he will not reveal to the Canadian people the state of the economy, particularly in view of the forecasts of several private organizations. May I ask the Prime Minister this question: Given that economic indicators show that our economic situation is worsening rapidly, will the Prime Minister assure the House that he is considering the introduction of an early budget to deal with this unemployment situation, which can only be described as chaotic, frightening and unacceptable?

Mr. Trudeau: Mr. Speaker, the hon. member's remarks seem more in the nature of an argument than a question. Without agreeing to the zoological preamble to his previous question, I would repeat my answer, that the Minister of Finance will of course be introducing a budget in the course of this session.

Mr. Stevens: When?

Oral Questions

UNEMPLOYMENT—MEASURES TO COUNTERACT EFFECT IN EASTERN PROVINCES

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a supplementary question to the Minister of Manpower and Immigration? Since the conference board in its quarterly provincial forecast, released last week, predicted an unemployment rate in the five eastern provinces in excess of 10 per cent, the rates in two of those provinces, Newfoundland and Quebec, being both considerably higher; and since the already announced works programs of the minister, the Canada Works program and the Young Canada Works program, are merely a new form of the existing LIP program which diminishes that program's effectiveness by stretching it over one year, may I ask the minister what new initiatives the government is prepared to take in the light of this serious situation, in which the actual rate of unemployment in one province, for example, is 35 per cent?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, again the hon. member is showing the typical knee-jerk reaction which the Conservative party shows to anything new being introduced.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Cullen: We have placed heavy emphasis, particularly in the hon. member's province, on moneys spent on the LIP, Canada Works and the Young Canada Works programs, in recognition of the high unemployment factor there. We have institutional and industrial training, and in 1976-77 these programs will amount to $15.4 million and deal with 6,600 workers. Given that, plus the LIP allocation for 1976-77 of $17.8 million, I think it can be said that the government is doing its share, doing its part, and to denigrate from those efforts really does not say much for the party which has no policy whatsoever.

Mr. McGrath: Mr. Speaker, may I ask the minister a supplementary question? Since some of those provinces already have an unemployment level of more than 15 per cent, the rate in my own province being 35 per cent, and since the Canada Works Program depends on the initiative of others, may I ask the minister what initiatives he and his colleagues are prepared to take, to make jobs in this country? For starters, I ask the minister to look kindly upon the suggestion that he meet with the heads of government of those five provinces, to come up with new programs immediately.

Mr. Cullen: Mr. Speaker, unhappily for the hon. member programs are not financed with baloney, or he would have all he needs; they are financed with money. We have spent $1.3 billion annually on job creation and training programs, and the hon. member sees fit to denigrate what I think is a good effort. Maybe we can find more money; certainly, these programs are excellent, stretching over the whole broad spectrum of need in this country and there is much emphasis placed on areas like the hon. member's province.

[Mr. Stevens.]

UNEMPLOYMENT—ALLEGATION STATISTICS UNDERESTIMATE LEVEL—REQUEST FOR PROGRAMS TO ASSIST ATLANTIC PROVINCES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a supplementary question to the Minister of Manpower and Immigration who, being an expert in the subject, recognizes baloney when he hears it.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Broadbent: I ask the minister, with specific reference to the programs he referred to in terms of job creation, if he will acknowledge before the House that the allocation of funds for those programs depends upon official unemployment insurance statistics? If this is so, will he also acknowledge that statistics for Newfoundland, for example, and Cape Breton Island underestimate by 100 per cent the real level of unemployment and that therefore the amounts of money going into those areas are in inverse proportion to the need? If the minister agrees with that, will he tell us what special programs he is going to come up with to correct this, which increases the existing inequalities in the country?

● (1420)

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, here again we recognize that we have what is called an imperfect science, but we are endeavouring to determine the exact statistics for which the hon. member is looking. However, we apply them equally across the country. It would be inappropriate to use one set of principles and guidelines in the area suggested by the leader of the NDP and different programs elsewhere. We are endeavouring to come up with better, more perfect and more appropriate statistics, but in the interim, given the funds available, those we have are probably appropriate.

Mr. Broadbent: I go back to the minister's choice of the term "baloney". His baloney answer took a long time to inform us he is not going to change the maldistribution of funds which now exists. I wish to ask a supplementary. Given the fact that Premier Moores of the province of Newfoundland stated publicly recently that for that province to maintain its already worst record in terms of unemployment levels in Canada, it has to create an additional 5,000 new jobs a year on top of the recent annual rate which was already an increase of 5,000, is the minister prepared to announce that the government will take a particular approach to Atlantic Canada and bring forward a significant job creation program, not some time distant such as the end of the summer, but within the next few weeks?

Mr. Cullen: Mr. Speaker, here again the hon. member ignores the fact that some $17 million is put into that particular province, given its high levels of unemployment. The hon. member is wrong to say we are not changing our criteria because we are under the Canada Works Program. I am looking for a different method of determining unemployment

in a particular area which will make it an even more exact indicator of the unemployment in that particular area. We are, fortunately, working on a bilateral and multilateral basis with my opposite numbers in all of the provinces, endeavouring to meet the needs of the specific provinces either through community employment strategy studies or dealings on a bilateral basis with officials in various provinces, given their particular problems.

* * *

FINANCE

DATE OF BUDGET—REQUEST FOR ASSURANCE FOCUS WILL BE ON JOB CREATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I will direct my final supplementary to the Prime Minister. If I recall correctly, the parliamentary secretary in his answer stated that we can expect a budget by the summer. Considering that the forecast for unemployment for next year by almost every group outside the government, and two government departments, indicates the worst level of unemployment since World War II, will the Prime Minister give us a date or approximate date for a budget? Hopefully it will be within the next few weeks, and not until the summer. In addition, can he assure the House that the principal focus of that budget will be job creation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I indicated that the budget would be forthcoming in this session. I did not indicate toward the summer. The exact date will be given by the Minister of Finance when he is in the House very soon. He will be able to announce that date. With regard to the particular province of Newfoundland which the hon. member was inquiring about, I had a long exchange of correspondence with Premier Moores. I indicated in quite some detail the kinds of expenditures that the Minister of Manpower and Immigration is making and many other areas of expenditure upon which the federal government is engaged to create jobs in that province. Naturally, the budget will be concerned with the state of economy and the very serious problem of unemployment. However, we on this side do not forget it is also important to keep inflation at a low rate. We hope that for a change we will have the support of the hon. member on this subject.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

ALLEGED CONFLICT BETWEEN REGULATION AND COLLECTIVE AGREEMENT FOR CONSTRUCTION INDUSTRY

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration.

On November 24 last, I asked with my colleague from Bellechasse whether his department had taken a decision concerning the unemployed who, according to the commission, are involved in a collective dispute in the construction industry. The minister replied that he would look into the matter and report. Well, no decision has yet been taken and these unemployed are still waiting for it, while they are not considered eligible for welfare benefits. Is the minister in a position to advise today whether the commission has taken a decision about these cases so as to allow thousands of Quebeckers to obtain their just share?

Hon. Jack Cullen (Minister of Manpower and Immigration): Yes, Mr. Speaker, we have reviewed up to 50,000 applications and we still have 70 to examine. We now have 325 appeals to consider. We expect this will be done by January 27.

Mr. Fortin: Mr. Speaker, I have a supplementary question.

Is the minister aware of the existence of instruction No. 7,542,145, signed by a Mr. Sanschagrin, a civil servant, document of which I have a copy, to the effect that the commission must not advise recipients of the decisions rendered, which means that these recipients cannot appeal these decisions? Mr. Speaker, this is a very serious policy. We are dealing here with an internal instruction which states that in every case where this administrative provision applies, it is very important that no notice of ineligibility be sent to the recipients. For all practical purposes, this deprives them of the right to go before the administrative tribunal of the Labour Council and appeal the decisions rendered by the commission. Is the minister aware of this instruction and is he willing to deal fairly with the recipients and to withdraw these instructions so that they may obtain justice from the commission?

Mr. Cullen: Mr. Speaker, first I must examine the instruction the hon. member has been talking about.

* * *

[*English*]

TRANSPORT

APPOINTMENT OF COMMISSION TO STUDY PROBLEMS IN NEWFOUNDLAND—REQUEST FOR DETAILS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Since unemployment is closely related to transportation, may I ask the Minister of Transport whether he has yet made a decision with regard to the appointment of a commission to study transportation in Newfoundland, bearing in mind the impact of the present transport situation upon the current unemployment rate? Has he considered the relationship between such a study and the trans-Newfoundland corridor study already computed? When does he expect to appoint the commission and can he give the House details concerning its terms of reference?

Hon. Otto E. Lang (Minister of Transport): We have been working with representatives of the government of Newfoundland to determine appropriate terms of reference which would permit a broad investigation into the transportation problems

of Newfoundland. It is very much our intention that any such commission would lean heavily on the work which has already been done—and a very significant volume it is—and bring together the conclusions and experience of individual Newfoundlanders quite quickly rather than take a long time for this work.

NEWFOUNDLAND—GUARANTEE OF JOBS FOR RAILWAY EMPLOYEES PENDING COMMISSION REPORT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): The indication was given, in answer to earlier questions on this subject, that the minister or the CNR would put an end to the lay-offs which have been taking place and which are presently taking place—that a freeze would be applied, at least to July 1977. Would the minister assure the House that the jobs of CNR workers will be "frozen" until the commission presents its report?

Hon. Otto E. Lang (Minister of Transport): I believe it would be more accurate to say there have been strong expressions of hope that such a freeze, particularly on the part of the CNR, would accompany the commission's work. I have had discussions with representatives of labour concerning this aspect and I have also discussed the matter with the CN. One of the problems might be to define the situation in appropriate language so that the railway company would not be called upon to operate with complete rigidity during the period of the study, but, rather, attempt to assure that the basic levels of service would not be allowed to deteriorate while the study was taking place. This is a view I have put forward to Canadian National and I shall be having further discussions with the provincial government.

* * *

● (1430)

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGED ESTABLISHMENT OF ESPIONAGE TRAINING CENTRE IN MONTREAL CUBAN CONSULATE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I want to put a question to the Solicitor General.

Would the minister agree to make this afternoon or tomorrow a complete and detailed statement on the circumstances surrounding the setting up at the Cuban consulate in Montreal of a training centre for spies?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I will be glad to take into consideration the hon. member's representations.

Mr. Wagner: Mr. Speaker, I want to ask a supplementary question.

Considering that the investigation conducted by the RCMP was undertaken following the explosion which took place at the Cuban consulate in 1972, did the Solicitor General since then receive from the RCMP periodical reports on the suspicious activities going on in the consulate and when approximately were the RCMP's suspicions confirmed?

Mr. Fox: Mr. Speaker, as Solicitor General of Canada, I normally receive periodical reports from the RCMP's security service on activities which might present a danger for the interests of our country, but I think that both sides of this House have always agreed that it would be rather difficult to reveal their contents.

Mr. Wagner: Mr. Speaker, I wish to ask a final supplementary question. Could the minister tell the House if the content of the RCMP reports is brought to the attention of the Secretary of State for External Affairs and of the Prime Minister on a regular basis?

Mr. Fox: Mr. Speaker, each time the interest of the country is involved or the security service discovers something, this should be brought to the attention of the Secretary of State for External Affairs and of the Prime Minister; the usual practice is to bring such facts to the attention of both these ministers.

[*English*]

REQUEST FOR ASSURANCE NO ESPIONAGE ACTIVITIES BY EMBASSY OFFICIALS

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I have a supplementary question for the Solicitor General. In view of the fact that the minister's predecessor confirmed some time ago that the RCMP were well aware of foreign espionage agents posing as diplomats within embassies in Canada, and this prior to the expulsion of the Cubans as well as the Soviet air attache Vasilliev, can the minister now assure the House that as far as the RCMP are concerned there exists at the present time no further individual or individuals taking part in subversive or espionage activities within any embassy or consulate on Canadian soil?

Hon. Francis Fox (Solicitor General): Mr. Speaker, it is the normal duty of the RCMP security service to monitor activities of such a kind nature. Such activities, when they do exist, are monitored and the results of such monitoring brought to the attention of the appropriate authorities in the government of Canada.

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GOVERNMENT ADMINISTRATION

SUGGESTED PURCHASE OF BELL HOVERCRAFT FOR CANADIAN COAST GUARD

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the President of the Treasury Board. In view of the fact that the Department of Industry, Trade and Commerce has invested over $10 million under the federal program for the advancement of industrial technology to help develop a viable hovercraft industry in Canada, that the coast

guard requires an additional hovercraft and that the Bell Aerospace hovercraft made in Canada meets all the operational requirements of the Canadian Coast Guard, can the minister assure the House that the Bell Aerospace hovercraft made in Canada is being seriously considered for purchase by the federal government as the machine needed for Canadian Coast Guard search and rescue operations?

Hon. Robert K. Andras (President of Treasury Board): Mr. Speaker, I will note the hon. member's very interesting representations.

Mr. McKinley: A supplementary question, Mr. Speaker. Is the minister able to advise us whether or not at the present time Treasury Board and also cabinet have given approval for the purchase of a British hovercraft for the coast guard?

Mr. Andras: Mr. Speaker, I do not think I can add to my previous comment. If such a decision is made, it will be announced in the ordinary process.

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SUPPLY AND SERVICES

POSSIBILITY OF PURCHASING HOVERCRAFT IN UNITED KINGDOM—GOVERNMENT POSITION

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, may I put a final supplementary question to the Minister of Supply and Services. I believe that during the last two weeks a delegation has visited Great Britain and has included representatives from the Department of Supply and Services and contract signing officials. Were they there to look into the purchase of a hovercraft for the coast guard from Great Britain or were they there to sign the contract, and has indeed a contract for the purchase of a British machine been signed? If not, what were they there for?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): I am going to inquire about it, Mr. Speaker.

* * *

[*English*]

HEALTH

ARSENIC POLLUTION IN YELLOWKNIFE—REQUEST FOR CLARIFICATION OF CONFLICTING REPORTS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare. Can the minister explain the discrepancy between his public statements of 1976 asserting the harmlessness of arsenic pollution in the Yellowknife area and the evidence of Department of the Environment studies which state, among other things, that the public must be prohibited from using melted snow as a potable water supply? In addition, does the minister now say that the previous study referred to in the press release of October 3, 1975 was inadequate or erroneous since he stated on January 18 last that a new task force is being established to study the arsenic situation in Yellowknife so as to determine what action should now be taken?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): The answer to the first part of the question, Mr. Speaker, is that we have long been warning people in the area particularly Indian people, not to drink any water from snow thaw in the area of Yellowknife.

As for the second part of the question, the answer is no.

[*English*]

ARSENIC POLLUTION IN YELLOWKNIFE—MEASURES TO ASSURE NO CONCEALMENT OF PROBLEM

Mr. Paul Yewchuk (Athabasca): A supplementary question, Mr. Speaker. In view of press reports that certain officials in the minister's department have advised concealing from the Yellowknife public the risk it runs from arsenic poisoning, would the minister tell the House what measures he is taking to assure himself that there is no concealment of matters affecting the public interest, matters the public has a right to know?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the inquiry I made has demonstrated that no civil servant in my department had advocated concealing certain facts. I think we have been told about a departmental memorandum issued by a Department of Environment employee, with a suggestion to this effect; but here again, it is simply the opinion of a junior civil servant which does not represent government policy. The paper concerned has been submitted to the government of the Northwest Territories, and it is available.

[*English*]

ARSENIC POLLUTION IN YELLOWKNIFE—ACCEPTABILITY OF MEMBERS OF TASK FORCE

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I too have a question for the Minister of National Health and Welfare. I should like to ask the minister whether he can assure the House that members of the task force which he announced on January 18, 1977 to study the arsenic pollution problems in the Yellowknife area will be acceptable to all parties concerned, especially to the residents of Yellowknife and area, steelworkers, those working in the mines and to Health Canada?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, in order that this task force be totally independent and impartial, I have asked the Canadian Public Health Association to select the members of this task force. As soon as I receive the names recommended by the Canadian Public Health Association I will make them public and the study itself will be conducted under the auspices of the associa-

tion. I will have nothing to do with the selection of people recommended by the Canadian Public Health Association.

[*English*]

ARSENIC POLLUTION IN YELLOWKNIFE—GOVERNMENT ACTION IF PUBLIC SERVANTS CONCEALING FACTS

Mr. Wally Firth (Northwest Territories): A supplementary question, Mr. Speaker, which I would like to direct to the Prime Minister. Would the right hon. Prime Minister be prepared to take corrective action if the task force study of the arsenic pollution problems in the Yellowknife area shows that federal health officials have been taking part in a cover-up of the true situation concerning arsenic levels in the Yellowknife area?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the answer is yes, of course.

* * *

[*English*]

PERFORMING ARTS

ALLEGED DENIAL OF VISAS TO CERTAIN ARTISTS—REQUEST FOR REPORT

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Secretary of State. By what authority does John Cripton of the Canada Council touring office use threats to withhold visas from the Osipov Balalaika Orchestra and Bolshoi dancers, as has been done by seeming blackmail of Columbia Artists of New York, if this and other distinguished entertainment groups come to Vancouver under the auspices of the respected 40-year old Vancouver company, Famous Artists; and would the Secretary of State determine and report upon how much money in grants and subsidies from the Canada Council, the Canada Council touring office and the Secretary of State has gone to build the physical assets and business of David Y. Louie since 1969; and is the government—

Some hon. Members: Order.

Mrs. Holt: —through the Canada Council in competition with established small, independent business in Vancouver?

Hon. John Roberts (Secretary of State): Mr. Speaker, I want to thank the hon. member for drawing this to my attention.

Some hon. Members: Oh, oh!

Mr. Roberts: I mean that entirely seriously, Mr. Speaker. When she brought these facts or alleged facts to my attention this morning, I immediately asked my department to undertake an investigation and I will promptly ensure that the results of that investigation are forwarded to her. If the situation is as she described it I will be extremely concerned and anxious to take remedial action.

[Mr. Lalonde.]

• (1440)

ANTI-INFLATION PROGRAM

POSSIBILITY OF NEW MEASURES TO ENCOURAGE INVESTMENT—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, as Jean-Luc Pépin, Chairman of the Anti-Inflation Board, stated last week, wage and price controls have hurt business investment in Canada; and as the Minister of Finance stated today, speaking in Toronto: "There is no question that we need a progressive recovery in private investment if we are going to be able to provide adequately for job creation and rising productivity", and then added: "The control of profit margins has been no tonic for investment", will the Prime Minister indicate whether, based on these statements, we may expect new directives for the AIB which would be designed to encourage private investment in Canada with its resultant much needed job creation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to take a look at the statements quoted by the hon. member. My information is that there is no hard evidence that the controls have in fact reduced the level of investment in Canada which there otherwise would have been, or that there has been any great misallocation of resources.

Mr. Stevens: Mr. Speaker, would the Prime Minister indicate whether the Minister of Finance in his speech in Toronto today was reflecting government policy when he stated:

—that the start of the solution to most of the economic challenges we face lies in more capital investment . . . Enhancing the role of investment is going to be an important item on our agenda for 1977.

Is that government policy?

Mr. Trudeau: Mr. Speaker, that seems like a pretty sound statement. I cannot say what the rest of the speech was, but that part taken in isolation seems to make good sense to me.

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HOUSE OF COMMONS

ALLEGED LIST OF PEOPLE FORMING EXTRA-PARLIAMENTARY OPPOSITION—REQUEST FOR REPORT

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Prime Minister and relates to my earlier motion and to questions asked previously in the House. Is the Prime Minister in a position today to confirm that there has been a list or lists circulated among senior members of his Cabinet containing names which purport to form an extra parliamentary opposition to the government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not the slightest idea what the hon. member is talking about.

Some hon. Members: Oh, oh!

An hon. Member: It has been a long recess.

Mr. Oberle: Mr. Speaker, since the Prime Minister is totally oblivious to a very serious matter which concerns the privileges of all hon. members of this House, will the Prime Minister cause further inquiries to be made in order to ascertain what is behind this question, and when he is fully briefed will he report to the House conclusively on this matter at the earliest possible moment?

Mr. Trudeau: Mr. Speaker, I cannot give that undertaking. I repeat, I do not know what the member is talking about. There is obviously a lot of extra parliamentary opposition to the government, but that is normal in a democracy.

* * *

TRADE

ALLEGED BOYCOTT OF ISRAELI FIRMS BY CROWN AGENCIES—GOVERNMENT POSITION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is also for the Prime Minister. In view of press reports indicating varying degrees of complicity by Canadian federal Crown agencies and corporations with the Arab boycott against Israel and Jewish individuals and firms, will the Prime Minister indicate whether an internal investigation has been made by his government to ascertain the truth or otherwise of these facts and, if not, why not?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to refer this question to the Secretary of State for External Affairs. We made a statement on this matter of the Arab boycott in the House, I believe a month and a half ago. If my memory is correct, it was supported by all opposition parties. I would have to see whether there is any departure from the application of that policy. I know of none.

Mr. Lawrence: Mr. Speaker, I wonder if the Prime Minister would then indicate whether, from his office or from the office of whichever minister of the Crown would be in charge of these Crown agencies and corporations, any definite instructions in respect of governmental policy have gone out forbidding them to take part in any such Arab boycott?

Mr. Trudeau: Mr. Speaker, the statement made by the government a short while ago in the House applied, of course, to the government, its agencies and departments. I know that this government policy does not go as far as some people would like, but it is our policy and once again I will have to say that I am not aware of it not being applied totally by some aspect of government. So far as I know there is no specific allegation to that effect. If the hon. member has some facts he can convey to me, I would appreciate receiving them.

COMMUNICATIONS

CABLEVISION—RELATIONSHIP OF POSTPONEMENT OF DELETION OF COMMERCIALS FROM UNITED STATES STATIONS TO PRIME MINISTER'S VISIT TO WASHINGTON

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker,I should like to ask the Minister of Communications if the directive to the CRTC to change the commercial deletion policy is in any way related to the Prime Minister's pending visit to Washington?

[*Translation*]

Hon. Jeanne Sauvé (Minister of Communications): No, Mr. Speaker, as you know that decision was made some time ago and the government then reaffirmed its support for the commercial deletion policy established by the CRTC. But we thought that under the income tax legislation passed in the House, it was necessary and maybe timely, following the discussions and negotiations we had with the Americans, to re-examine the impact of that legislation and at the same time look into other ways of reaching the same goals.

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[*English*]

EXTERNAL AFFAIRS

TOPICS TO BE DISCUSSED DURING PRIME MINISTER'S VISIT TO WASHINGTON

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, in view of the pending visit of the Prime Minister to Washington, does the Prime Minister intend to discuss specific topics of mutual interest and/or a list of irritants that have been discussed in this House from time to time, or is this visit just to be a sort of historical occasion on which the Prime Minister is hoping to get some coat-tail momentum from Mr. Carter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not think Mr. Carter needs any momentum from me at this time.

Mr. Nowlan: You are the one who needs momentum.

Some hon. Members: Oh, oh!

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FEDERAL-PROVINCIAL RELATIONS

MEETINGS BETWEEN PRIME MINISTER AND MR. LÉVESQUE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, has the Prime Minister had any meetings with René Lévesque during the recess?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member is asking about government business, the answer is no.

Mr. Paproski: Mr. Speaker, when does the Prime Minister plan to meet with Mr. Lévesque to discuss Canada's future?

Some hon. Members: Oh, oh!

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NATIONAL DEFENCE

ALLEGED LIST OF PUBLIC SERVANTS FORMING EXTRA-PARLIAMENTARY OPPOSITION—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question that is supplemental to one asked by my colleague, the hon. member for Prince George-Peace River, which I should like to direct to the Minister of National Defence who, on October 13 of last year, as reported at page 18 of *Hansard*, speaking as the Minister of State for Urban Affairs, stated in respect of the existence of an alleged list or blacklist of public servants who can be called the extra parliamentary opposition:

Fortunately, it is without any foundation.

I wonder whether the minister has made any inquiries, and does he still hold to that position?

Mr. Speaker: Order, please. I cannot see how that could be directed to the minister's responsibilities in connection with national defence.

Mr. MacKay: Mr. Speaker, I wish to direct this question to the minister in his capacity as Minister of National Defence, and I submit it is equally applicable.

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, my answer still stands. I am aware of no such list.

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TRANSPORT

EFFECT OF SUBSIDIZATION OF PRIVATE SHIPPING FIRMS ON MOVEMENT OF GOODS THROUGH NORTH SYDNEY

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question for the Minister of Transport is related to the hearings he gave and the concern he showed the delegation from North Sydney here in Ottawa and in respect of the meetings held on the docks in North Sydney by the union regarding layoffs and cutbacks at the North Sydney wharf. Would the minister cause an inquiry to be carried out to determine the effect that the subsidization of private shipping firms from the public purse is having on the shipment of goods through the Port of North Sydney in competition with a Crown corporation, namely, the Canadian National Railways, thereby causing massive unemployment at that port? This is a matter we have been pursuing for many months in an attempt to get some answers.

[Mr. Trudeau.]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the hon. member knows that I share his concern about employment in the Sydney area. Indeed, I have taken some action in that regard in recent weeks. In this particular case, we have undertaken with several provincial governments to look at the question and the impact on employment of the movement of goods from the maritime provinces proper to Newfoundland. That is, of course, a subject which may also receive some attention in connection with the work of the proposed commission.

● (1450)

Mr. Muir: I thank the minister for his answer. May I ask him, if he is too busy—I realize he has a large portfolio—if he would assign one of his senior officials to pinpoint the specific problem in that it is asserted that the shipping firms are definitely taking business from the port of North Sydney to the detriment of the stevedores there and that only one quarter of the force of approximately 1,000 men is working.

Mr. Lang: Mr. Speaker, as I indicated, since this matter is being discussed with several of the provinces, it is a matter which already has the attention of several of my officials.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHETHER PORT WILL BE CONSTRUCTED AT ÎLES-DE-LA-MADELEINE FOR TRANSPORTATION OF SALT

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I would like to ask a question of the Minister of Regional Economic Expansion.

Would the minister tell the House and Quebecers particularly if the negotiations with Quebec authorities aimed at an agreement concerning the economic development of the Gaspe peninsula, the lower St. Lawrence area and the Magdalen Islands still include, as before the November 15 event, the appropriation of important federal funds for the operation of a salt mine—which, incidentally, was discovered before November 15, 1976—and the development of a seaport at Grosse Isle, Magdalen Islands, in order to export the products of this mine to the Quebec, Canadian and other markets?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, the operation of a salt mine in the Magdalen Islands was indeed and still is one of the points under discussion which was considered by my department as part of a possible joint program of both Quebec and Ottawa governments for the development of these regions. I think this point will still be discussed. We said at the time that this was a real regional development opportunity.

HOUSING

SUGGESTED REDUCTION OF INTEREST RATES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of State for Urban Affairs.

Because of the marked slow-down in recent months of single-unit dwelling construction in Canada as a result of the prohibitively high rate of interest on the balance of the cost of those dwellings, which means that the average wage earner finds it difficult to buy a home, can the minister tell the house whether the Central Mortgage and Housing Corporation he heads intends to alleviate somewhat the high rate of interest with a view to making it easier for prospective or new home-owners to buy those houses?

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, I feel that we have just completed a record year in the field of housing. I therefore find it difficult to reconcile the assertions of the hon. member with that outstanding performance.

On the other hand, I am quite willing to recognize with him that it is in the interest of small wage earners to be able to buy a home at the lowest possible rate of interest. That is why the government has brought forward the program known as AHOP, the Assisted Home Ownership Program, the purpose of which is precisely to lower the actual cost of interest to 8 per cent.

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

Could the minister tell the House whether this lower interest rate will apply to single family dwellings in particular or to housing in general?

Mr. Ouellet: Mr. Speaker, I have just said to the hon. member that this is a government program. I will gladly provide him with documents on this subject. I think that he should have a better knowledge of this program which is already under way and has contributed to the construction of some 38,000 units in 1976 in Canada.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

EFFECT OF REDUCTION IN WORK PERIOD NECESSARY TO QUALIFY FOR BENEFITS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that a committee of this caucus at its recent visit to Newfoundland found out from the Manpower office and the Unemployment Insurance Commission in St. John's that fully 48 per cent of all those receiving unemployment insurance benefits in Newfoundland have between 8 and 19 weeks attachments to the work force, and in view of the fact that many of these people will be eliminated from unemployment insurance programs by the changes in Bill C-27 which raise the length of work necessary for eligibility from 12 weeks to 18 weeks, will the minister now reconsider these changes in the UIC program which will not only work unspeakable hardship on the lives of many unemployed workers but which will play havoc with the economy of the Atlantic provinces and other such areas in the country?

Hon. Jack Cullen (Minister of Manpower and Immigration): No, Mr. Speaker, we are taking that particular bill in conjunction with the direct job creation program. Heavy emphasis on funding will take place in areas of high unemployment. We are satisfied also that the suggestion of the hon. member that all these people will automatically be unemployed is rather simplistic. These people do need help, but I do not think that continuing payments under the UIC program is really the appropriate method. We are also talking about the developmental use of UIC funds for training, and I think that is making better use of the money than just a straight payment out of the insurance fund.

Mr. Speaker: Order, please. I am concerned that we are getting into debate on a measure which will be before the House shortly. However, I will allow one supplementary question.

Mr. Rodriguez: In view of the fact that such programs as the one which the minister just mentioned depend on the rate of unemployment calculated by Statistics Canada in conjunction with UIC and Manpower figures, and in view of the fact that it is admitted that in reality unemployment is much higher than shown in the official rate and so indeed the amounts of money for those programs are badly underestimated, is the minister prepared to at least review the method by which the rate of unemployment is calculated so that the funds going for these retraining programs would really reflect the actual unemployment in the Atlantic region?

Mr. Speaker: Order, please. It seems to me that this question is a repetition of the same question put by the leader of the hon. member's party at the beginning of the question period.

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THE MINISTRY

INQUIRY AS TO RESPONSIBILITIES OF MEMBER FOR ST. BONIFACE

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like to ask a question of the Prime Minister. In view of the fact that the hon. member for St. Boniface has now been whipped down to the end of the row, and in view of the fact that he has a lot of time now, can the Prime Minister say whether he has been given any further responsibilities in the cabinet so that we may direct some questions to him?

Some hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member for St. Boniface is Minister of State without Portfolio and indeed he will have a very important responsibility in the cabinet expressing the points of view of the very important western provinces.

Some hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

EFFECT OF ROSEAU RIVER PROJECT IN UNITED STATES ON MANITOBA—NEGOTIATIONS FOR CONSTRUCTION AND PAYMENT OF MITIGATING WORKS

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Prime Minister following a question I asked him last December 7 with regard to the Roseau River project in the state of Minnesota and its effect on the province of Manitoba. It is possible that the Minister of State from St. Boniface has also directed this question to the Prime Minister. The IJC specifically recommended that mitigating works take place in Manitoba prior to the completion of the work in Minnesota. At that time the Prime Minister indicated to me that he would be making inquiries as to the negotiations and the payment for these mitigating works. Have these negotiations taken place and, if so, what is the result?

Hon. Roméo LeBlanc (Minister of the Environment): Mr. Speaker, I will have to check the file again and also check with my colleague, the Secretary of State for External Affairs. Certainly, the IJC report supports the Canadian contention that some of these works are undesirable.

Mr. Epp: Can the Minister of the Environment indicate whether negotiations have taken place between U.S. and Canadian officials and whether mitigating works and the scheduling and payment for them has already been decided upon?

Mr. LeBlanc (Westmorland-Kent): The report was officially transmitted to the two governments only some days ago. I will check to ascertain what contacts have continued since then.

* * *

GRAIN

REASON FOR LOW FINAL PAYMENT TO FARMERS AND RETENTION OF MONEY BY WHEAT BOARD

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is for the Minister in charge of the Canadian Wheat Board. Why was the final payment to prairie farmers by the Canadian Wheat Board so low, and what is the justification for individual farmers not receiving a statement with their final payment indicating the full rationale for the amount of money retained by the Wheat Board?

[Mr. Hnatyshyn.]

Hon. Otto. E. Lang (Minister of Transport): Mr. Speaker, I do not know what the hon. member thinks he is referring to when he speaks about the retention of money by the Canadian Wheat Board. The final payments are, of course, on the basis of the Wheat Board's calculation of the amount of money received when grains from a particular pool have been sold and deducting therefrom the initial payments which have already been made to the farmer at the time of delivery. In due course the Wheat Board does put together and make available to all producers a full statement showing the analysis of the costs and its full calculations, and I think there is no reason to suspect or think that there is any different procedure followed this year than in years past. In other words, the level of the final payment reflects exactly the prices at which the Wheat Board was able to sell grain.

● (1500)

Mr. Malone: Why is it that the individual farmer, on receipt of his final payment, is not able to find out the basis upon which that final payment is made? Putting it on the basis of the whole Wheat Board region does not give the individual farmer an opportunity to make an analysis of his business because that is across the three prairie provinces.

Mr. Lang: If the hon. member has some suggestion about a better way of communicating the individual situation to a farmer, I am sure the Canadian Wheat Board would be glad to receive that representation from him. The board does make available to the farmers of the prairies a statement of its operations and the manner of calculating the final payments. There is no such thing as an individual payment tracing the particular wheat which one farmer delivered and identifying the market into which it went, and I hope the hon. member is not suggesting that the Wheat Board try to set up that kind of system.

* * *

UNEMPLOYENT INSURANCE

LOSS OF CHEQUES SENT TO CLAIMANTS IN SARNIA AREA—REQUEST FOR REPORT

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Has the hon. member for Sarnia-Lambton brought to the minister's attention the fact that about 400 cheques worth several thousands of dollars which were addressed to claimants in the Sarnia area and which were sent by the Unemployment Insurance Commission have gone astray, and if so, has the minister been able to locate the cause of the problem?

Hon. Jack Cullen (Minister of Manpower and Immigration): Yes, Mr. Speaker, the hon. member for Sarnia-Lambton did bring that to my attention because the hon. member always does a great job, and I got on it right away.

Some hon. Members: Hear, hear!

Mr. Cullen: In this particular instance, from the standpoint of the UIC, we immediately got the names of the individuals affected and had a person go to Belleville to have duplicate cheques prepared so that the people would not be kept waiting for the delivery of their cheques, which have been lost or somehow mislaid. As the member of parliament for Sarnia-Lambton, perhaps I could direct that question to the Postmaster General.

* * *

POST OFFICE

LOSS OF UNEMPLOYMENT INSURANCE AND OTHER CHEQUES—REQUEST FOR REPORT

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I wish to direct a supplementary to the Postmaster General. In view of the fact that the blame for the loss of these cheques has been laid upon the Postmaster General's Department by both the hon. member for Sarnia-Lambton and also by the Minister of Manpower and Immigration, has the Postmaster General been able to locate these cheques? In addition, has he been able to locate 11 cheques which were mailed December 10 from the Bank of Montreal in Guelph, Ontario, including one for over $100,000, which were lost?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, as usual, the hon. member for Sarnia-Lambton made excellent representations, and I initiated an investigation with regard to these particular cheques. We have not as yet located them, so until we have, the Post Office is not ready to accept the responsibility for their loss.

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN CONSTITUTION

TABLING OF CORRESPONDENCE RESPECTING PATRIATION

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, with the permission of the House I would like to table, under Standing Order 41(2), copies, in both official languages, of correspondence with the provincial premiers concerning patriation of the constitution.

* * *

[*English*]

HOUSE OF COMMONS

VACANCIES

Mr. Speaker: I have the honour to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely, Réal Caouette, Esquire, member for the electoral district of Témiscamingue, by decease. Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ of election for the said electoral district.

[*Translation*]

I have the honour to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely, Mrs. Albanie Morin, member for the electoral district of Louis-Hébert, by decease.

Accordingly, I have addressed my warrant to the Chief Electoral Officer to issue a new writ of election for the said electoral district.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 107, 156, 194, 206, 208, 210, 211, 299 (corrected), 331, 332, 346, 347, 352, 357, 503, 509, 607, 629, 644, 649, 659, 663, 666, 676, 685, 687, 696, 711, 736, 751, 762, 768, 788, 789, 882, 887, 904, 933, 939, 940, 958, 973, 983, 998, 999, 1001, 1004, 1049, 1062, 1063, 1077, 1084, 1085, 1123, 1128, 1147, 1151, 1158, 1166, 1171, 1177, 1182, 1219, 1222, 1223, 1231, 1242, 1354, 1369 and 1422.

[*Text*]

UNEMPLOYMENT INSURANCE COMMISSION—MR. SYLVAIN

Question No. 107—**Mr. Cossitt:**

Is Mr. M. Sylvain Manager of the Employer Registration of Wage Loss Insurance for the Unemployment Insurance Commission and, if so (a) on what date was he appointed to this position (b) what is his current exact salary (c) what is the total of all overtime payments he has received since his appointment and what is the breakdown by month and year (d) what is the total of all expenses he has received since his appointment and what is the breakdown by month and year?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. Yes; (a) September 23, 1974; (b) $17,241—$19,549; (c) Total: From September 23, 1974 to June 13, 1976: $8,428.55

Order Paper Questions

October 1974	$481.41
November 1974	834.45
December 1974	348.87
January 1975	506.42
February 1975	494.97
March 1975	422.78
April 1975	701.20
May 1975	717.23
June 1975	622.16
July 1975	219.98
August 1975	494.96
September 1975	598.10
October 1975	192.49
November 1975	382.68
December 1975	254.36
January 1976	269.76
February 1976	149.88
March 1976	219.80
April 1976	164.86
May 1976	247.28
June 1976	104.91

(d)	1976	1975	1974
January	$ 202.22	$ 226.91	—
February	—	161.00	—
March	602.73	264.99	—
April	—	83.06	—
May	726.07	312.49	—
June	423.83	1,185.13	—
July	553.67	—	—
August	166.48	86.97	—
September	920.34	312.12	—
October	470.65	789.64	347.71
November	—	141.12	134.28
December	—	350.62	685.75
	$4,065.99	$3,914.05	$1,167.74

ANTI-INFLATION BOARD ADMINISTRATOR

Question No. 156—**Mr. Orlikow:**

1. What is the present salary or salary range of the Administrator of the Anti-Inflation Board?

2. What is the salary range of the Vice-President of the Canadian International Development Agency?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Anti-Inflation Board and the Canadian International Development Agency as follows: 1. There is no such position with the Anti-Inflation Board.

2. The salary range of the executive vice-president is $35,500—$47,500.

MEMORIAL UNIVERSITY, NEWFOUNDLAND—SCHOLARSHIPS

Question No. 194—**Mr. Marshall:**

1. Were any applications received from Memorial University in Newfoundland under government scholarships for study in housing and related matters?

[Mr. Cullen.]

2. Was the programme advertised and, if so, in what manner?

3. Were all universities notified and, if so, by what means?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised that the following applies with respect to Central Mortgage and Housing Corporation: 1. Applications for scholarships for study in housing and related matters were not received by CMHC from students at Memorial University, Newfoundland.

2. Yes; the scholarship program was advertised by means of a flier which was sent to all universities as well as to provincial and municipal governments. The program is also listed in most university calendars.

3. Yes; the mailing lists for the fliers include all universities.

PERSONNEL—NUMBER OF DSO7 POSITIONS

Question No. 206—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the SS-DSO-7 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Barney Danson (Minister of National Defence): 1. Department of National Defence: (a) 16; (b) 20.

2. Department of National Defence: (a) 16; (b) Nil.

PERSONNEL—NUMBER OF DSO8 POSITIONS

Question No. 208—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the SS-DSO-8 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Barney Danson (Minister of National Defence): 1. Department of National Defence: (a) 1; (b) 3.

2. Department of National Defence: (a) 1; (b) 2.

PERSONNEL—NUMBER OF DSO5 POSITIONS

Question No. 210—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the SS-DSO-5 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Barney Danson (Minister of National Defence): 1. Department of National Defence: (a) 111; (b) 133.

2. Department of National Defence: (a) 51; (b) Nil.

PERSONNEL—NUMBER OF DSO6 POSITIONS

Question No. 211—**Mr. Orlikow:**

1. On (a) April 30, 1975 (b) April 30, 1970, how many classified positions existed in each department at the SS-DSO-6 level?

2. By department, of the authorized positions in the category, how many incumbents occupied the positions on (a) April 30, 1975 (b) April 30, 1970 whose annual salary was more than $27,500?

Hon. Barney Danson (Minister of National Defence): 1. Department of National Defence: (a) 30; (b) 33.

2. Department of National Defence: (a) 30; (b) Nil.

Order Paper Questions

WAR DISABILITY PENSIONERS

Question No. 299—**Mr. Marshall:** (Corrected)

In graduations of 5 per cent, how many (a) single (b) married war disability pensioners are there with disabilities between 5 per cent and 100 per cent

Hon. Daniel J. MacDonald (Minister of Veterans Affairs):

(a) Single Pensioners																				
Percent	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100	**Total**
W.W. I	546	826	438	531	248	286	118	219	15	237	35	98	16	60	31	232	34	82	16	386	**4454**
W.W. II	3746	4795	1969	2460	1045	1224	510	915	80	1168	191	490	115	232	120	273	54	99	40	980	**20506**
Special Force	135	139	48	68	29	30	13	31	3	25	6	11	2	5	4	11	1	1	—	18	**580**
Total	4427	5760	2455	3059	1322	1540	641	1165	98	1430	232	599	133	297	155	516	89	182	56	1384	**25540**
(b) Married Pensioners																				
W.W. I	842	1508	769	911	483	562	231	381	33	439	73	191	41	119	62	439	53	160	28	625	**7950**
W.W. II	11726	17654	7715	9480	4291	5093	1945	3308	330	4851	834	1950	548	1197	501	1209	373	536	178	2551	**76270**
Special Force	303	349	169	183	62	84	33	69	12	90	15	34	11	14	14	17	3	4	2	36	**1504**
Total	12871	19511	8653	10574	4836	5739	2209	3758	375	5380	922	2175	600	1330	577	1665	429	700	208	3212	**85724**

NEIGHBOURHOOD IMPROVEMENT PROGRAM

Question No. 331—**Mr. Herbert:**

By province, what monies have been (a) spent (b) committed under the Neighbourhood Improvement Programme?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised as follows by Central Mortgage and Housing Corporation: the amounts approved and disbursed by CMHC, under the Neighbourhood Improvement Programme, are shown in table below.

Neighbourhood Improvement Program, N.H.A., Section 27.5 by Province and Territory, 1973—September, 1976
$000

Province and Territory	Commitments	Disbursements
Newfoundland	2,940	1,447
Prince Edward Island	1,733	247
Nova Scotia	5,070	368
New Brunswick	5,067	401
Quebec	24,000	1,466
Ontario	33,125	6,274
Manitoba	5,650	1,254
Saskatchewan	5,250	809
Alberta	6,750	2,236
British Columbia	9,100	2,321
Yukon Territory	—	—
Northwest Territories	—	—
Canada	98,685	16,823

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM

Question No. 332—**Mr. Herbert:**

By province, what monies have been (a) spent (b) committed under the Residential Rehabilitation Assistance Programme?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation, as follows:

NHA Loans Approved for Residential Rehabilitation, NHA Section 34.1 by Province, 1974—September 1976

Province	Loans	Units	Hostel Beds	$000
Newfoundland	591	644	—	2,576
Prince Edward Island	570	619	1	2,719
Nova Scotia	411	499	33	1,895
New Brunswick	1,509	1,813	50	5,458
Québec	624	1,487	6	7,391
Ontario	2,319	3,944	1,267	12,481
Manitoba	498	672	14	2,536
Saskatchewan	1,567	1,689	34	4,823
Alberta	932	1,060	93	3,550
British Columbia	1,616	2,594	607	6,856
Northwest Territories	—	—	—	—
Yukon Territory	—	—	—	—
Canada	10,637	15,021	2,105	50,285

[1] Data are gross.

Order Paper Questions

PROPORTION OF TOTAL SALES TO LARGEST WHOLESALERS IN FOOD INDUSTRY

Question No. 346—**Mr. Nystrom:**

1. What proportion of total sales did the four largest wholesalers of food in the industry earn in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year statistics are available)?

2. What proportion of total sales did the eight largest firms in the industry earn in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year statistics are available)?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports: 1. The proportion of total wholesale sales in the food industry made by the four largest firms in the wholesale food industry in 1971 was 16 per cent, and in 1973 was 20.1 per cent.

2. The proportion of total wholesale sales in the food industry made by the eight largest firms in the wholesale food industry in 1971 was 23 per cent and in 1973 was 27.5 per cent.

NOTE: Data for 1960, 1965 and 1970 are not available.

PROPORTION OF SALES TO LARGEST WHOLESALERS OF FARM PRODUCTS

Question No. 347—**Mr. Nystrom:**

1. What proportion of total sales did the four largest wholesalers of farm products in the industry earn in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year statistics are available)?

2. What proportion of total sales did the eight largest firms in the industry earn in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year statistics are available)?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports: 1. The proportion of total wholesale sales on farm products made by the four largest firms in the wholesale farm products industry in 1971 was 36.5 per cent and in 1973 was 73.5 per cent.

2. The proportion of total wholesale sales of farm products made by the eight largest firms in the wholesale farm products industry in 1971 was 46 per cent and in 1973 was 82.5 per cent.

NOTE: Data for 1960, 1965 are not available.

PROPORTION OF SALES TO LARGEST FIRMS IN FEED INDUSTRY

Question No. 352—**Mr. Nystrom:**

1. What proportion of total sales were the sales of the four largest firms in the feed industry in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year statistics are available)?

2. What proportion of total sales did the eight largest firms in the industry earn in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year statistics are available)?

[Mr. Ouellet.]

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports: 1. The proportion of total sales represented by the sales of the four largest firms in the feed industry was (a) not available; (b) 28.8 per cent; (c) 29.4 per cent and (d) 29 per cent (1972).

2. The proportion of total sales earned by the eight largest firms in the feed industry was (a) not available; (b) 28.9 per cent, (c) 39.8 per cent and (d) 28.4 per cent (1972).

PROPORTION OF SALES TO FIRMS IN RETAIL FOOD STORE INDUSTRY

Question No. 357—**Mr. Nystrom:**

1. What proportion of total sales were the sales of the four largest firms in the retail food store industry in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year statistics are available)?

2. What proportion of total sales did the eight largest firms in the industry earn in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year statistics are available)?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports: 1. The proportion of total retail food sales represented by the sales of the four largest firms in the retail food store industry were (in percentages) 28 per cent in 1961; 27.2 per cent in 1965; 29.3 per cent in 1970 and 37.7 per cent in 1975. (Data for 1960 are not available).

2. The proportion of total retail food sales sold by the eight largest firms in the retail food industry were (in percentages) (a) 34.9 per cent in 1961; (b) 33.8 per cent in 1965; (c) 36.4 per cent in 1970 and (d) 44.5 per cent 1975. (Data for 1960 not available).

RESIDENTIAL REHABILITATION ASSISTANCE TO RURAL AREAS IN QUEBEC

Question No. 503—**Mr. Lambert (Bellechasse):**

1. Since the coming into force of the special Residential Rehabilitation Assistance Programme in rural areas (RRAP), has Central Mortgage and Housing Corporation received any applications for grants from the Province of Quebec and, if so, how many?

2. How many have been (a) studied (b) approved and for which constituencies?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised as follows by Central Mortgage and Housing Corporation: 1 and 2. See table below. Data on applications received, rejected and withdrawn are not readily available.

NOTE: Statistics on activities under the National Housing Act, compiled by CMHC, are not based on federal electoral constituencies, but on municipal counties in Québec.

Loans Approved for Residential Rehabilitation Assistance, NHA, Section 34.1, Rural Areas, Quebec, 1976

Municipal County	Number of Units	Amount $000
Abitibi	56	233
Chicoutimi	7	17
Deux-Montagnes	1	3
Dorchester	15	63
Gatineau	21	111
Labelle	13	53
Lac St-Jean West	9	36
Pontiac	66	329
Saguenay	25	139
Yamaska	12	84

Data are preliminary to October 31.

UNEMPLOYMENT INSURANCE COMMISSION—OVERPAYMENTS

Question No. 509—**Mr. Huntington:**

1. Did the Department of Manpower and Immigration in 1975, identify 96,000 cases of UIC overpayments in their post audit programme, which resulted in 1,800 prosecutions of claimants for $340,000 in fines and a number of jail terms and, if so, what action was taken against the other 94,200 claimants who received overpayments?

2. Were such overpayments paid back to the government and, if not, for what reason?

3. What was the total amount of overpayments to claimants in (a) 1974 (b) 1975?

Hon. Jack Cullen (Minister of Manpower and Immigration): 1. No. As a result of the 1975 post audit, 13,003 overpayments were established. Two hundred and sixty-two of these resulted in prosecutions initiated through the courts and records of the penalties imposed by the courts as a result of post audits are not maintained by the commission. However, there were 6,550 fines totalling $541,808 imposed under section 47 of the Unemployment Insurance Act by the commission. Collection action has been taken against all overpayments identified.

2. Separate records of the amounts collected on overpayments accounts established through post audits are not maintained. The post audit programme is one of several currently used to identify overpayment accounts. The collection records are not established to reflect the programme which identified the overpayment.

3. (a) 1974—$39,879,600; (b) 1975—$48,217,000.

POST OFFICE REGIONAL OFFICES

Question No. 607—**Mr. Munro (Esquimalt-Saanich):**

1. (a) How many regional offices are maintained by the Post Office Department (b) where is each located (c) for what area is each responsible?

2. On what date was each established and with how many personnel?

3. What is the present personnel strength of each office?

4. In addition to regional offices, are district or other sub-offices maintained and, if so (a) in what locations (b) how many?

5. Are the duties performed by those manning the regional and/or district offices line functions, in the chain of command from Ottawa to the operator in the field, or do they have other functions to perform and, if so, what are such functions?

Hon. J.-J. Blais (Postmaster General): 1. (a) 4; (b) Halifax, Montreal, Toronto, Vancouver; (c) Atlantic, Quebec, Ontario, Western respectively.

2. Atlantic region—Established July, 1970 with one regional general manager. Quebec region—Established October, 1970 with one regional general manager and an assistant. Ontario region—Established January, 1970 with one regional general manager and an assistant. Western region—Established January, 1971 with one regional general manager.

3. Atlantic, 71; Ontario, 93; Quebec, 136; Western, 105.

4. District offices are maintained within each region as follows: (a) Atlantic region: Halifax, Saint John, New Brunswick, St. John's, Nfld.; Quebec region: Quebec City, Province of Quebec Montreal (2 offices); Ontario region: Toronto, London, Ottawa, North Bay; Western region: Winnipeg, Saskatoon, Edmonton, Vancouver. (b) 14.

5. Yes, but some of the personnel also provide necessary support services to line management at local levels, some of which was previously supplied from Ottawa headquarters.

STATISTICS FOR DAMAGE TO PARCELS

Question No. 629—**Mr. Dinsdale:**

What are the statistics for damage to parcels in each of the automated postal terminals for each of the five years (a) prior to (b) since automation?

Hon. J.-J. Blais (Postmaster General): Parcel damage statistics maintained by the Post Office do not designate the location where the damage occurred. Often this is impossible to ascertain. The parcel may have been processed through several plants and carried by various modes of transportation, yet damage, if any, may not be evident until opened on delivery by the addressee.

FINANCIAL POSITIONS OF NATIONAL SPORTS GOVERNING BODIES

Question No. 644—**Mr. Beatty:**

1. Is the government aware of the financial positions of the national governing bodies of any sports in Canada and, if so, which ones?

2. In each case, what is the (a) size of the present surplus or deficit (b) anticipated surplus or deficit for the end of the current fiscal year (c) date on which the fiscal year ends?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. The Fitness and Amateur Sport Branch of the Department of National Health and Welfare provides contributions on a project basis to approximately 70 national sports governing bodies for the implementation of programs. (See table below.) Such contributions are governed by terms and conditions which require submission of audited financial statements or auditable materials specifically in respect of these contributions. It is not a prerequisite for any contribution to a project that the recipient provide full financial disclosure of all its financial affairs.

2. Since the national sports governing bodies are not required, as a condition of receiving contributions, to provide full financial disclosure, information on their overall deficit or surplus position is not available. In relation to federal contributions, audits are performed upon receipt of appropriate accounting materials. If a contribution exceeds allowable expenses, a refund is requested in favour of the Receiver General for Canada; if allowable expenses exceed the original contribution, a supplementary contribution can be considered.

Recipients of Assistance
from the Fitness and Amateur
Sport Program
1976-77

Aquatic Federation of Canada
Federation of Canadian Archers
Canadian Badminton Association
Canadian Federation of Amateur Baseball
Canadian Amateur Basketball Association
Canadian Amateur Boxing Association
Canadian Canoe Association
Canadian Amateur Cricket Association
Canadian Curling Association (Men)
Canadian Curling Association (Women)
Canadian Cycling Association
Canadian Diving Association
National Equestrian Federation of Canada
Canadian Equestrian Team
Canadian Fencing Association
Canadian Field Hockey Council
Canadian Field Hockey Association
Canadian Womens' Field Hockey Association
Canadian Figure Skating Association
Canadian Amateur Football Association
Canadian Ladies Golf Association
Royal Canadian Golf Association
Canadian Gymnastics Federation
Canadian Gymnastics Federation (Trampoline Committee)
Canadian Modern Gymnastics Federation
Canadian Handball Association
Canadian Amateur Hockey Association
Canadian Horse Council
Judo Canada
National Karate Association
Canadian Lacrosse Association
Canadian Lawn Bowling Council
Canadian Ladies Lawn Bowling Council
Canadian Lawn Tennis Association
Canadian Amateur Netball Association
Canadian Orienteering Association
Canadian Sport Parachuting Association
Canadian Amateur Modern Pentathlon Association
Canadian Racquetball Association
Ringette Canada
Canadian Association of Amateur Oarsmen
Canadian Rugby Union
Chooting Federation of Canada
Canadian Ski Association (Alpine)
Canadian Ski Association (Ski jumping)
Canadian Ski Association (Freestyle)
Canadian Ski Association (X-Country)
Soaring Association of Canada
Canadian Soccer Association
Canadian Amateur Softball Association
Canadian Amateur Speed Skating Association
Canadian Squash Racquets Association
Canadian Amateur Swimming Association
Canadian Amateur Synchronized Swimming Association
Canadian Table Tennis Association
Canadian Team Handball Federation
Canadian Track and Field Association
Canadian Volleyball Association
Canadian Waterpolo Association
Canadian Water Ski Association
Canadian Weightlifting Federation
Canadian Amateur Wrestling Association
Canadian Yachting Association
Canadian Athletic Therapists Association
Sport Federation of Canada
Canadian Intercollegiate Athletic Union
Canadian Olympic Association
Canadian Women's Intercollegiate Union (CWIAU)
Coaching Association of Canada
Canadian Federation of Provincial School Athletic Association
Canadian Colleges Athletic Association
Canadian Academy of Sports Medicine
Canadian Association of Sport Sciences
Canadian Physiotherapy Association
Canadian Sports Hall of Fame
Canadian Canoe Association White Water Affiliate

DEPARTMENT OF LABOUR AND CANADA LABOUR RELATIONS BOARD—EMPLOYEES

Question No. 649—**Mr. Lachance:**

Between the date of the presentation of the last budget May 25, 1976 and October 12, 1976, did the Department of Labour and Canada Labour Relations Board hire, dismiss or transfer employees to other departments and, if so, how many?

Hon. John C. Munro (Minister of Labour): Canada Department of Labour—45; Hired—31; Dismissed—0; Transferred—14;Canada Labour Relations Board—16; Hired—12; Dismissed—1; Transferred—3.

CANADIAN WHEAT BOARD

Question No. 659—**Mr. Lachance:**

Between the date of the presentation of the last budget May 25, 1976 and October 12, 1976, did the Canadian Wheat Board hire, dismiss or transfer employees to other departments and, if so, how many?

Hon. Otto E. Lang (Minister of Transport): In so far as the Canadian Wheat Board is concerned: During the period May 25th to October 12th the Canadian Wheat Board lost 26 permanent and 95 temporary employees by way of retirements and resignations; hired 19 permanent and 47 temporary employees; dismissed 1 permanent employee and 3 temporary employees; and transferred no employees to government departments.

TRANSFER OF EMPLOYEES FROM DREE AND CAPE BRETON DEVELOPMENT CORPORATION

Question No. 663—**Mr. Lachance:**

Between the date of the presentation of the last budget May 25, 1976 and October 12, 1976, did the Department of Regional Economic Expansion and Cape Breton Development Corporation hire, dismiss or transfer employees to other departments and, if so, how many?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: Number of people hired, 528*; Number of people dismissed, 0; Number of people transferred to other departments, 23.

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* This includes Prairie Farm Rehabilitation Administration where a great deal of staffing is on a seasonal basis.

The reply for the Cape Breton Development Corporation is as follows: Number of people hired, 94; Number of people dismissed, 9; Number of people placed on inactive list, 12. This information is for the period May 25, 1976 to October 12, 1976 inclusive.

DEPARTMENT OF NATIONAL DEFENCE—PERSONNEL

Question No. 666—**Mr. Lachance:**

Between the date of the presentation of the last budget May 25, 1976 and October 12, 1976, did the Department of National Defence (excluding Armed Forces personnel), Defence Construction (1951) Limited and National Emergency Planning Establishment hire, dismiss or transfer employees to other departments and, if so, how many?

Hon. Barney Danson (Minister of National Defence):

Department of National Defence	Indeterminate	Term
Employees hired	649	6,666(1)
Employees dismissed	4	
Employees transferred to other departments	116	

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(1) NOTE: The majority of the term employees were hired to replace or complement Canadian Forces personnel who were assigned responsibilities in connection with the Olympics. They were hired for a period of less than six months and their services in most instances have been terminated.

National Emergency Planning Establishment		
Employees hired	3	2
Employees dismissed or transferred	Nil	—
Defence Construction (1951) Ltd.		
Employees hired	6	Nil
Employees dismissed or transferred	Nil	—

DEPARTMENT OF VETERANS AFFAIRS—PERSONNEL

Question No. 676—**Mr. Lachance:**

Between the date of the presentation of the last budget May 25, 1976 and October 12, 1976, did the Bureau of Pensions Advocates, War Veterans Allowance Board, Canadian Pension Commission, Pension Review Board and the Department of Veterans Affairs hire, dismiss or transfer employees to other departments and, if so, how many?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs):

	Hired	Dismissed	Transferred
Bureau of Pensions Advocates	4	—	—
War Veterans Allowance Board	6	—	1
Canadian Pension Commission	8	—	1
Pension Review Board	—	—	—
Department of Veterans Affairs	446*	—*	24

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* Apart from transfers and dismissals, there were a total of 464 separations for other reasons from the department and the agencies.

Order Paper Questions

WAR VETERANS ALLOWANCE BOARD

Question No. 685—Mr. Marshall:

1. How many (a) CWA/WVA (b) disability pension cases were handled by the district authority in each province under the Department of Veterans Affairs, as of September 30, 1976?

2. What amount of money was disbursed for WVA/CWA and disability pensions as of September 30, 1976?

3. How many persons are on staff at each district authority office administering CWA/WVA and disability cases and VLA accounts?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs):

	1.		2.	*	3.	
	(a)	(b)	WVA/CWA	Disability Pensions	WVA/CWA	Disability Cases	VLA Accounts
St. John, Nfld.	5,049	Please	$1,039,609	Please	9	Please	Please
Charlottetown, P.E.I.	1,409	see	311,779	see	3	see	see
Halifax, N.S.	8,364	Note (i)	1,697,846	Note (ii)	15	Note (i)	Note (iii)
Saint John, N.B.	5,822		1,303,319		12		
Quebec, P.Q.	2,038		437,843		4		
Montreal, P.Q.	9,212		1,565,844		21		
Ottawa, Ont.	5,111		860,174		10		
Toronto, Ont.	12,392		1,829,197		22		
Hamilton, Ont.	4,586		635,772		9		
London, Ont.	5,830		835,966		9		
North Bay, Ont.	2,795		517,889		6		
Winnipeg, Man.	5,453		759,593		11		
Regina, Sask.	1,767		284,382		5		
Saskatoon, Sask.	1,826		312,896		5		
Calgary, Alta.	2,985		462,295		7		
Edmonton, Alta.	3,105		524,983		6		
Vancouver, B.C.	10,620		1,537,456		18		
Victoria, B.C.	2,795		368,650		5		
			$15,285,493				

*War Veterans Allowance district authorities are adjudicating bodies only and, as such, have no staff assigned to their direction. Operations related to WVA/CWA administration are carried out by the staff of Veterans Services program in each district office. Staff members of Veterans Services are also appointed individually by the minister to constitute the WVA district authority for each district as provided by section 23 of the War Veterans Allowance Act in addition to their other duties.

Note (i): The district authority is not involved in decisions on pension matters. Disability pension matters are the responsibility of the Canadian Pension Commission.

Note (ii): The expenditure for disability pensions as at September 30, 1976 was $246,628,096.

Note (iii): VLA cases are not dealt with by the district authority.

GRAIN DEMURRAGE CHARGES

Question No. 687—Mr. Hnatyshyn:

What were the grain demurrage charges for the period October, 1975 to October, 1976 and what were the charges for (a) West Coast ports (b) Great Lakes ports?

Hon. Otto E. Lang (Minister of Transport): In so far, as Canadian Wheat Board is concerned: demurrage claims paid during the period October, 1975 to October, 1976 totalled $5,045,613.59. Of this sum $4,073,604.38 related to the west coast and the remainder to east coast ports. There were no demurrage claims settled during that period for Great Lakes ports.

LOANS FOR SENIOR CITIZENS' HOUSING IN QUEBEC

Question No. 696—Mr. Fortin:

Did Central Mortgage and Housing Corporation grant loans to some municipalities in the Constituency of Lotbinière for the construction of housing units for senior citizens and, if so (a) which municipalities (b) what are the names of the institutions (c) what were the amounts of the loans (d) what were the refunding terms?

[Mr. MacDonald (Cardigan).]

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised as follows by Central Mortgage and Housing Corporation: (a), (b), (c)—Loans made by CMHC to assist in financing the construction of housing for senior citizens in the municipal counties of Arthabaska, Lotbinière and Nicolet are shown in table below. Note: Statistics on activities under the National Housing Act, compiled by CMHC, are not based on federal electoral constituencies, but on municipal counties in Quebec. (d) These loans are repayable over a term of 50 years, in annual instalments of principal and interest, at interest rates ranging from 6-7/8 per cent to 10-3/4 per cent, determined by the year in which the loans were approved.

Loans Approved to Quebec Housing Corporation, Senior Citizens' Housing Municipal Counties of Arthabaska, Lotbinière and Nicolet 1968—June, 1976

Municipality	Number of Loans	Number of Units	Hostel Beds	$000
Arthabaska County				
Daveluyville	1	32	—	578
Victoriaville	2	40	150	2,076
Lotbinière County				
Fortierville	2	34	39	751
Lotbinière	1	—	38	266
St-Agapitville	1	20	—	320
Ste-Agathe	1	20	—	331
St-Apollinaire (mun.)	1	1	39	284
Ste-Croix	1	—	47	343
St-Flavien	1	—	42	294
St-Sylvestre	1	—	32	224
Nicolet County				
Bécancour	1	66	—	1,086
Nicolet	1	52	—	767
St-Célestin (mun.)	1	36	—	482
St-Léonard-d'Aston	1	21	—	297
St-Pierre-les-Becquets (mun.)	1	—	40	280

(1) Data are net.

GRAIN CARS SHIPPED FROM WESTERN CANADA

Question No. 711—**Mr. Hnatyshyn:**

Were approximately 15% of all grain cars shipped from Western Canada during the current crop year loaded with the wrong kind or grade of grain and, if so, what steps is the minister responsible for the Canadian Wheat Board taking to ensure that this percentage is reduced in the future?

Hon. Otto E. Lang (Minister of Transport): In so far as the Canadian Wheat Board is concerned: during the current crop year cars shipped from Western Canada loaded with the wrong kind or grade of grain have amounted to just under 15 per cent of all cars shipped. The Canadian Wheat Board is applying penalties on the basis of two cars lost for every car containing the wrong grade and four cars lost for every car containing the wrong grain. These penalties are applied to the offending companies' weekly car allocation.

LAWYERS RETAINED BY CMHC IN NOVA SCOTIA

Question No. 736—**Mr. Muir:**

1. What are the names of the lawyers or law firms on Cape Breton Island employed by Central Mortgage and Housing Corporation and how was each selected?

2. How much did each lawyer or law firm receive in fees and expenses in each fiscal year 1972-73 to date?

3. Can an individual securing financing from CMHC select a lawyer other than those recommended by CMHC and, if not, for what reason?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation, as follows: 1 and 2. The following lawyers were retained by CMHC, in Cape Breton, Inverness, Richmond and Victoria counties, Nova Scotia, to process mortgage documentation arising from CMHC direct lending, from 1972 to September 1976: Glace Bay—Khattar and Khattar, Simon MacDonald; New Waterford—M. J. Hinchey, Q.C.; North Sydney—David J. Ryan, Murray J. Ryan, Q.C.; Port Hawkesbury—Arthur J. LeBlanc; Sydney—J. Bernard Boudreau, George R. LeVatte, Russell G. MacLellan, Gerald F. Murphy, Q.C., J. Allister Ross, Q.C., G. Alistair S. Smith. Legal fees in connection with CMHC direct loans are paid by the borrower, and CMHC therefore, has no record of the amounts paid to these lawyers. The following lawyers were retained from 1972 to September, 1976, to handle action where arrears on loans approved in Cape Breton, Inverness, Richmond and Victoria counties, Nova Scotia required legal actions:

		Costs and Fees
Halifax	McInnes, Cooper and Robertson	$4,587.81
North Sydney	Murray J. Ryan, Q.C.	$2,296.90
Port Hawkesbury	Burke, Vincent and LeBlanc	$2,006.10

3. CMHC follows the normal practice of mortgage lenders in that where a mortgage is taken as security a legal agent is employed to search and report on title, to register the mortgage and advance the mortgage funds and certify to CMHC that its mortgage constitutes a first charge on the property. In the case of loans for the provision of housing to persons of low income, requests for the employment of the borrower's solicitor or notary are in many cases granted where the employment will produce a financial advantage to the borrower. In addition, in the case of loans on existing housing, where the borrower has employed a solicitor or notary to carry out the work of acquiring the title to the property, CMHC may employ the borrower's solicitor or notary to act on behalf of CMHC.

POST OFFICE—NEWMARKET, ONTARIO

Question No. 751—**Mr. Stevens:**

1. With reference to the answer to Question No. 2,266 of the First Session of the 30th Parliament, has the government determined on what date tenders for the construction of a new building (or alternative rental proposals) for a new post office in Newmarket, Ontario will be called and, if not, does it still anticipate an occupancy date of August 1978?

2. If the government no longer expects to open a postal processing plant in Newmarket by August 1978, on what date does it expect to do so?

Mr. Alexandre Cyr (Parliamentary Secretary to Minister of Public Works): 1. It is anticipated that tenders will be called in January, 1977 for the construction of a new mail processing plant in Newmarket, Ontario, with anticipated occupancy by August, 1978.

2. Not applicable.

Order Paper Questions

CANADAIR LIMITED

Question No. 762—**Mr. McKinnon:**

1. Did the Crown purchase Canadair Limited from General Dynamics on January 5, 1976 for a maximum price of $38,150,000 and, if so, what was the value placed on the Crown's obligation to pursue a claim against Northrop Corporation for alleged breach of contract and to pay to Canadair two-thirds of any sums recovered from Northrop?

2. When the Crown settled the action brought against it in the Federal Court of Canada by Northrop Corporation by paying Northrop $9,000,000, what value was placed on the Crown's counterclaim against Northrop for damages for breach of contract?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Industry, Trade and Commerce and Supply and Services as follows: 1. On January 5, 1976, the Crown purchased Canadair from General Dynamics for a maximum price of $38,150,000. The Crown paid $11,479,835 for 1,408,463 shares of Canadair; $25,170,165 for nine outstanding promissory notes of Canadair to General Dynamics, and $1,500,000 representing the company's profit in the period January 1, 1974 to December 31, 1975. The price was determined through a series of negotiations on a net basis for shares and notes and not for individual assets. It is therefore not possible, and would be misleading, to attempt to attribute a specific price to a specific asset.

2. No value was determined for the Crown's counterclaim when the action was settled with Northrop.

RRAP LOANS, ABITIBI, QUEBEC

Question No. 768—**Mr. Laprise:**

For each of the designated areas in the Constituency of Abitibi were applications for funds submitted under the Housing Renovation Programme and, if so (a) how many were (i) granted (ii) refused (b) for what amounts?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised as follows by Central Mortgage and Housing Corporation: to November 1976, 15 loans for $60,700 were approved in Taschereau, and 41 loans for $171,955 in Duparquet, Abitibi County under the Residential Rehabilitation Assistance Program. Information is not readily available on the number of applications refused.

NOTE: Statistics on activities under the National Housing Act, compiled by CMHC, are not based on federal electoral constituencies, but on municipal counties in Québec.

HOUSING UNITS IN CANADA

Question No. 788—**Mr. Gilbert:**

For each year 1968 to 1975, how many housing units were (a) started (b) completed (c) demolished in (i) Canada (ii) Edmonton (iii) Halifax (iv) Montreal (v) Ottawa-Hull (vi) Saint John (vii) St. John's (viii) Saskatoon (ix) Toronto (x) Vancouver (xi) Winnipeg?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: see tables I and II below.

Table 1.

Housing units started, completed and demolished, metropolitan areas, 1968-1971

Metropolitan Area	1968			1969			1970			1971		
	Started	Completed	Demolished (1)	Started	Completed	Demolished (1)	Started	Completed	Demolished (1)	Started	Completed	Demolished (1)
Edmonton	9,003	7,772	623	9,807	8,601	465	6,330	7,129	243	11,286	8,252	446
Halifax	1,444	959	170	3,318	1,999	187	2,343	2,520	104	2,551	1,951	91
Montréal	30,624	25,974	2,150	23,650	26,947	1,263	23,017	17,693	1,636	22,285	20,405	1,671
Ottawa-Hull	5,642	4,813	333	7,275	5,140	440	11,345	6,917	475	11,141	10,396	1,512
Saint John, New Brunswick	431	394	(2) 390	439	492	(2) 283	498	418	(2) 308	1,048	622	(2) 199
St. John's, Newfoundland	977	1,400	(2) 21	771	1,009	(2) 9	679	554	(2) 8	1,222	1,049	(2) 10
Saskatoon	2,278	2,668	44	1,935	2,152	59	259	1,117	30	498	487	32
Toronto	37,775	28,677	1,658	31,874	34,751	1,596	30,521	27,562	1,055	33,163	25,441	927
Vancouver	15,690	14,922	1,079	17,690	14,247	1,357	13,437	13,488	769	15,553	14,984	991
Winnipeg	4,739	3,615	247	9,030	5,635	211	6,661	6,897	291	7,726	7,461	198
Canada	196,878	170,993	14,696	210,415	195,826	14,370	190,528	175,827	11,844	233,653	201,232	14,299

(1) Source: Statistics Canada.

(2) City only.

Table 2.

Housing units started, completed and demolished, Metropolitan Areas, 1972-1975

Metropolitan Area	1972			1973			1974			1975		
	Started	Completed	Demolished (1)	Started	Completed	Demolished (1)	Started	Completed	Demolished (1)	Started	Completed	Demolished (1)
Edmonton	9,500	9,932	337	7,384	9,803	373	5,362	7,668	318	8,647	4,578	242
Halifax	2,540	2,200	119	4,181	2,760	141	3,095	3,255	98	2,708	2,679	60
Montreal	24,731	25,219	2,646	30,700	27,832	2,768	24,758	27,726	3,168	26,702	25,377	1,827
Ottawa-Hull	14,887	11,469	878	15,511	12,541	534	9,709	15,036	911	7,156	11,313	245

Table 2.
Housing units started, completed and demolished, Metropolitan Areas, 1972-1975

Metropolitan Area	1972 Started	1972 Completed	1972 Demolished (1)	1973 Started	1973 Completed	1973 Demolished (1)	1974 Started	1974 Completed	1974 Demolished (1)	1975 Started	1975 Completed	1975 Demolished (1)
Saint John, New Brunswick	1,608	963	(2) 110	1,085	1,566	(2) 168	1,139	1,230	(2) 279	2,283	1,436	(2) 164
St. John's, Newfoundland	1,307	1,130	(2) 3	1,705	1,488	(2) 27	1,876	1,415	(2) 56	2,151	1,842	(2) 20
Saskatoon	877	707	35	1,342	1,006	65	1,232	1,274	49	2,486	1,316	55
Toronto	38,695	41,156	835	37,697	34,701	1,083	29,580	39,448	882	26,457	26,055	773
Vancouver	16,210	14,044	966	17,334	15,580	1,618	14,452	15,814	1,564	13,315	15,750	1,070
Winnipeg	9,134	7,187	197	7,698	7,821	262	5,628	8,680	362	5,294	5,062	366
Canada	249,914	232,227	15,347	268,529	246,581	16,046	222,123	257,243	14,630	231,456	236,964	11,667

(1) Source: Statistics Canada.
(2) City only.

CMHC CAPITAL BUDGET AND PROGRAM ALLOCATIONS

Question No. 789—Mr. Gilbert:

1. For each year 1968 to 1975, what was the capital budget of CMHC?

2. For each of the same years, where applicable, what amount was (a) allocated (b) actually spent on programmes for (i) low rental housing (ii) non-profit housing (iii) cooperative housing (iv) assisted rental housing (v) rural and native housing (vi) federal-provincial housing (vii) student housing (viii) public housing (ix) residential rehabilitation assistance (x) neighbourhood improvement?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation, as follows: 1 and 2.

Capital Budget of Central Mortgage and Housing Corporation, 1968-75
($ millions)

Programme	1968 (1) Allocation	1968 Commitments	1969 (1) Allocation	1969 Commitments	1970 (1) Allocation	1970 Commitments	1971 (1) Allocation	1971 Commitments	1972 (1) Allocation	1972 Commitments	1973 (1) Allocation	1973 Commitments	1974 (1) Allocation	1974 Commitments	1975 (1) Allocation	1975 Commitments
Low Rental (Sec. 15)	31.0	27.2	80.0	146.0	267.5	241.2	213.0	231.9	90.0	94.7	114.0	59.5	15.7	74.5	237.3	235.2
Non-Profit (Sec. 15.1)	64.5	59.1	100.0	31.0	86.4	72.9	116.0	79.3	77.9	42.9	72.0	95.1	155.8	124.7	149.5	159.0
Cooperatives (Sec. 34.18)(2)	—	—	—	—	—	—	—	—	—	—	11.0	7.6	34.9	19.8	32.3	44.4
Assisted Rental (Sec. 58)(3)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rural and Native (Sec. 40)(4)	—	—	—	—	—	—	—	—	—	—	—	—	—	38.4	—	31.6
Federal-Provincial (Sec. 40)	55.0	41.0	57.0	27.9	40.9	29.0	30.0	31.5	36.5	39.1	40.0	51.8	93.2	58.1	58.3	64.6
Student Housing (Sec. 47)	90.0	73.8	100.0	55.5	45.0	41.0	45.0	36.7	41.5	14.4	21.0	3.8	7.2	4.0	—	0.4
Public Housing (Sec. 43)	130.0	128.5	150.0	170.5	213.5	235.4	245.0	277.0	249.0	238.2	248.0	199.7	212.4	177.4	243.8	296.2
Residential Rehabilitation Assistance (Sec. 34.1)(2)	—	—	—	—	—	—	—	—	—	—	6.0	—	43.5	4.2	45.6	14.9
Neighbourhood Improvement (Sec. 27.5)(2)	—	—	—	—	—	—	—	—	—	—	1.0	—	22.3	3.0	26.0	10.6
TOTAL CAPITAL BUDGET	716.3		820.5		1,094.0		1,015.5		806.5		1,008.0		1,262.0		1,620.0	

(1) Initial allocation.
(2) Included in the National Housing Act, June 1973.
(3) Rental projects financed by CMHC loans under Sec. 58 become eligible for assistance under Sec. 14.1 in 1976.
(4) Not shown separately before 1974.

UIC—LUMBERING OPERATIONS

Question No. 882—Mr. Lambert (Bellechasse):

Did the government sign an agreement with Maine, USA on lumbering operations in the State by Canadian contractors and, if so, what are the terms of the agreement?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: it has not entered into any agreement with the State of Maine specifically in connection with lumbering operations by Canadian contractors in the State. There is however a reciprocal agreement between Canada and each of the individual states of the USA respecting the eligibility and payment of unemployment insurance benefits. This agreement has been in effect with most states since 1942. The State of Maine, however, did not subscribe to the agreement until January 1, 1972. The agreement enables persons living in Canada who have worked in Maine and who have credits under the Unemployment Insurance program of that State to claim against those credits through the office of the Unemployment Insurance Commission serving the area in which they reside. The reverse is also true for Maine residents having Canadian credits. In both situations the individual is paid by the Unemployment Insurance agency from which he derived

his credits. The other jurisdiction merely administers the claim.

In so far as the Department of Manpower and Immigration is concerned: no.

NATIONAL DEFENCE—STUDENT SUMMER EMPLOYMENT PROGRAM, GAGETOWN, 1976

Question No. 887—Mr. Howie:

During the summer of 1976, how many persons were employed at Canadian Forces Base Gagetown under the Student Summer Employment and Activities Programme?

Hon. Barney Danson (Minister of National Defence): Fifty-six.

STRIKES WITHIN THE FEDERAL JURISDICTION

Question No. 904—Mr. Howie:

1. How many strikes occurred within the federal jurisdiction for the fiscal year ending March 31, 1976?

2. How many man-days of employment were lost by the strikers?

Hon. John C. Munro (Minister of Labour): 1. Fifty-eight.

2. Nine hundred thirty-seven thousand.

MISUSE OF SUBSIDIES

Question No. 933—Mr. Horner:

1. With reference to the statement by the Minister of Transport in the House on October 27, 1976, namely "We have found in the past that where we put in large subsidies, a great deal of misuse of service occurred.", from 1968 to date, in each case where such misuse occurred (a) what was the subsidy (b) what are the details of misuse (c) what was the amount of the subsidy?

2. From 1968 to date, in each case where no misuse of service occurred, what was the subsidy and the amount?

Hon. Otto E. Lang (Minister of Transport): 1. (a), (b) and (c) I was not implying that Government funds have been misused. Rather, subsidies distort, over a period of time, the free market forces which are thus discouraged or prevented from providing efficient transportation services thereby eliminating or reducing the requirement for subsidies.

2. Transportation subsidies are voted by parliament and paid by government for various purposes. These subsidies appear in the Main Estimates and the Public Accounts for each fiscal year.

STE. ANNE'S HOSPITAL

Question No. 939—Mr. Herbert:

In the recently concluded discussions between the government and the Government of the Province of Quebec, seeking to transfer the Ste. Anne de Bellevue Veterans Hospital to provincial control, what (a) was the amount of cash offered with the transfer at the time of transfer (b) are the future cash payments, other than for the cost of the care of patients who are a federal responsibility?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Although discussions have taken place with the Province of Quebec with respect to the transfer of Ste. Anne's Hospital to provincial control, the transfer of Ste. Anne's Hospital is not currently under negotiation.

STE. ANNE'S HOSPITAL

Question No. 940—Mr. Herbert:

Was an agreement reached between the government and the Government of Quebec in the recent discussions having as their objective the transfer of the Ste. Anne de Bellevue Veterans Hospital to provincial jurisdiction and, if not, for what reason?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): No agreement has been reached between the federal government and the governemnt of Quebec with respect to the transfer of Ste. Anne's Hospital, Ste. Anne de Bellevue to provincial jurisdiction. The transfer of Ste. Anne's Hospital is not currently under negotiation.

NATIONAL DEFENCE—POSSIBLE LOCATION OF AN ARMOURED UNIT AT CFB GAGETOWN

Question No. 958—Mr. Howie:

Has any consideration been given to locating an armoured unit at CFB Gagetown as part of the Base development plan?

Hon. Barney Danson (Minister of National Defence): The Department of National Defence has just completed a detailed review of the Canadian Forces structure which included a study of the roles and locations of all units in the Canadian Forces. This review also considered the redeployment of a number of combat elements to improve the geographic distribution of the land forces deemed prudent to carry out tasks associated with the sovereignty role. These considerations form part of the detailed Canadian Forces structure review which has not yet received government consideration. However, this review is not part of the Base development plan.

JACQUES CARTIER TERMINAL

Question No. 973—Mr. Forrestall:

1. (a) What is the present status of construction of the Jacques Cartier Terminal (b) on what date is it anticipated the terminal will be completed?

2. (a) What is the present status with regard to the ordering of gantry cranes for the Jacques Cartier Terminal (b) has any date been set for the ordering of these cranes?

3. (a) Has there been any financial commitment from either shipping lines or terminal operators to use the Jacques Cartier Terminal and, if so (i) what shipping lines or operators (ii) what is the extent of the financial commitment (b) will gantry cranes be ordered without or before financial commitments to use the Jacques Cartier facilities have been received?

Hon. Otto E. Lang (Minister of Transport): The National Harbours Board advises as follows: 1. (a) Approximately 40 per cent completed. (b) Late 1977.

2. (a) No gantry cranes have been ordered. (b) No date has been set for the ordering of the cranes.

3. (a) No. (i) Not applicable. (ii) Not applicable. (b) No decision has been made at this time.

NUMBER OF PEOPLE ADMITTED TO CANADA UNDER THE CHILEAN REFUGEE PROGRAMME

Question No. 983—Mr. Epp:

1. What was the number of people admitted to Canada under the Chilean Refugee Programme each year since its inception?

2. What were the names and occupations given at the time of immigration of all refugees admitted under the Programme?

Hon. Jack Cullen (Minister of Manpower and Immigration): 1. 1973, 18; 1974, 1,056; 1975, 1,758; 1976, 1,165 (From January 1, to October 31, 1976).

2. It is not departmental policy to disclose names and occupations of individual immigrants.

STE. ANNE'S HOSPITAL

Question No. 998—Mr. Herbert:

1. Were there any recent discussions between the government and the Government of Quebec seeking to transfer the Ste. Anne de Bellevue Veterans Hospital to provincial control and, if so, what data was discussed for the reopening of discussions on the transfer of the Hospital?

2. Was any consideration given to discontinuing such discussions for a period of (a) five years (b) four years (c) three years?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. There have been some discussions in the past year with respect to the possibility of commencing negotiations on the transfer of Ste. Anne's Hospital to provincial control, however the transfer of Ste. Anne's Hospital is not currently under negotiation.

2. At the time of the discussions it was foreseen that negotiations could be undertaken during the 1977-78 fiscal year.

STE. ANNE'S HOSPITAL

Question No. 999—Mr. Herbert:

Was there any disagreement to the (a) level of care to be provided to veterans that are a federal responsibility (b) amount to be paid to the province for the provision of that care in the recently concluded discussions between the government and the Government of Quebec on the transfer of the Ste. Anne de Bellevue Veterans Hospital to provincial control?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): There have been discussions with the Province of Quebec about the possibility of the transfer of Ste. Anne's Hospital, however the transfer of Ste. Anne's Hospital is not currently under negotiation, thus (a) levels of care which are the responsibility of the Government have not been identified, and (b) there have been no discussions concerning payment for the provision of care.

UNEMPLOYMENT FIGURES

Question No. 1,001—Mr. Herbert:

For each of the past ten years, what was the percentage unemployed at the low and high points for unemployment of (a) household heads (b) youths (c) males not included in (b) (d) females not included in (b)?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports:

	(a) Household Heads			(b) Youths (Age 15-19)			(c) Males (Age 20+)			(d) Females (Age 20+)		
	Low	High	Avg.	Low	High	Avg.	Low	High	Avg.	Low	High	Avg.
1966	1.6	4.5	2.8	6.7	11.1	8.5	2.2	5.5	3.5	1.5	2.2	1.9
1967	1.9	4.5	3.2	6.8	12.8	9.7	2.4	5.8	4.0	1.8	2.5	2.2
1968	2.3	5.4	3.7	8.4	16.1	11.2	2.9	7.1	4.7	2.3	2.8	2.6
1969	2.3	4.8	3.4	7.9	15.2	11.4	3.1	6.4	4.5	2.1	3.3	2.7
1970	3.3	5.5	4.3	10.5	18.5	14.2	4.3	7.3	5.7	3.1	3.7	3.4
1971	3.2	6.4	4.6	11.7	20.0	15.4	4.4	8.4	6.1	3.3	4.6	3.9
1972	3.5	5.9	4.5	11.1	17.7	14.2	4.6	7.7	5.9	3.8	4.9	4.4
1973	2.9	6.0	4.0	9.2	16.4	12.5	3.6	7.6	5.1	3.5	5.3	4.2
1974	2.7	5.3	3.9	9.1	14.9	11.9	3.4	6.7	4.9	3.6	4.6	4.0
1975	3.8	7.0	5.1	11.6	17.8	15.5	4.7	8.6	6.4	4.8	5.8	5.2

SOURCE: Statistics Canada, labour force survey. Data are not seasonally-adjusted and are derived from the survey as conducted between 1966 and 1975.

DREE GRANTS—NEW BRUNSWICK

Question No. 1,004—Mr. Howie:

1. From January 1, 1975 to November 1, 1976, how many applications for DREE grants were received from New Brunswick and how many (a) were approved (b) were rejected (c) were withdrawn (d) are under consideration?

2. How many have been under consideration for more than three months?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 1. 150 applications for incentives under the authority of the Regional Development Incentives Act were received by DREE for projects in New Brunswick from January 1, 1975 to November 1, 1976. (a) 56; (b) 19; (c) 54; (d) 21.

2. Twelve. In most cases, extra time was required by the applicant to provide information necessary to complete evaluation of the proposal.

UIC—BENEFITS PAID TO VARIOUS INCOME CLASSES

Question No. 1,049—Mr. Lawrence:

For the 1975 taxation year, how many persons in Canada with a taxable income of (a) $20,000 to $25,000 (b) $25,000 to $50,000 (c) $50,000 to

$100,000 (d) $100,000 and over, received unemployment insurance benefits and, in each income class, what was the total amount paid?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned Statistics indicating the number of beneficiaries in various taxable income brackets are not maintained.

CMHC—FINANCING OF A NURSING HOME, STANLEY, NEW BRUNSWICK

Question No. 1,062—**Mr. Howie:**

1. Did CMHC receive an application for financial assistance for the construction of a nursing home at Stanley, New Brunswick and, if so, on what date?

2. Has a decision been made and, if so, on what date?

3. How much was requested in (a) grants (b) loans and how much was approved?

4. What other programmes are available to assist in the (a) construction (b) furnishing of the project?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. CMHC has not received an application for financial assistance for the construction of a Nursing Home at Stanley, New Brunswick.

2. Not applicable.

3. Not applicable.

4. Financing is available, under Section 15.1 of the National Housing Act, for residential accommodation for the elderly and the handicaped receiving up to personal and/or intermediate care, provided the users are supported financially by the Canada Assistance Plan. Projects which are supported by provincial health funding programmes, but which are not supported by the Canada Assistance Plan, are considered to be health facilities and therefore excluded from Section 15.1 financing. Financing for moveable furnishings in housing projects is not available under the NHA.

DREE ASSISTANCE—NEW BRUNSWICK

Question No. 1,063—**Mr. Howie:**

Is DREE assistance available to (a) find (b) assist a suitable industry to locate in the industrial park at Nackawic, New Brunswick and, if so (i) in what form (ii) has any assistance been requested or any efforts been made since January 1, 1975?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: DREE participates in funding the Capital Regional Development Commission with offices in Fredericton, whose responsibilities include seeking suitable industry to locate in the Industrial Park at Nackawic, New Brunswick. No assistance has been requested from DREE by firms interested in locating in the Nackawic Industrial Park since January 1, 1975.

[Mr. Lawrence.]

CONTROL OF MEDIA ADVERTISING OF ALCOHOLIC PRODUCTS

Question No. 1,077—**Mr. Howie:**

1. Has the government a programme or one contemplated to control media advertising of alcoholic products?

2. In what respect will such control affect (a) newspaper (b) radio (c) television (d) magazine advertising?

3. Are guidelines contemplated in respect to life style advertising to control the (a) quality (b) time of presentation (c) veracity of advertisement?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. The government has prepared proposals dealing with media advertising the objective of which is to reduce the potential impact of advertising as a factor in encouraging increased consumption of alcohol.

2 and 3. The proposals provide for: Altering the review practices of the Beer, Wine and Cider Clearance Committee of the Canadian Radio-television Tele-Communications Commission to eliminate lifestyle scenes from broadcast advertising. Addition of representation from federal and provincial health agencies to the Beer, Wine and Cider Clearance Committee. Addition of a health warning concerning the potential harmful consequences of alcohol use to advertising packages and bottles. Consultations with the brewing, distilling, wine-making and cider-making industries, broadcasters, newspapers and magazines to get voluntary agreement to: (i) restrict hours of broadcast advertising to late evening; (ii) eliminate lifestyle advertising in print, both in newspapers and magazines; (iii) limit expenditures for advertising and other forms of promotion to 1975 levels, or some similar base period. Consultations have been held with the industries affected by these proposals. Their views on the implications of the proposals and their suggestions for possible alternatives are now being considered.

POST OFFICE DEPARTMENT—CERTIFICATION OF POSTAL METER CHEQUES

Question No. 1,084—**Mr. Howie:**

1. Has the Post Office Department issued an order requiring all cheques for postal meter charges to be certified and, if so, on what date?

2. Has the Post Office Department received bad cheques in payment of such services and, if so, since January 1, 1975 (a) how many (b) in each case, what amount was involved?

Hon. J.-J. Blais (Postmaster General): 1. No.

2. Yes; (a) Two; (b) $376.48 and $320.

WOMEN EARNING SALARIES ABOVE $15,000 IN PUBLIC SERVICE

Question No. 1,085—**Mr. Howie:**

1. As of April 30, 1976, how many women held positions with salaries above $15,000 annually in the Public Service, excluding Crown corporations, boards and agencies?

2. What is the total number of persons of deputy minister rank in the Public Service, excluding Crown corporations, boards and agencies and how many are female?

3. What is the total number of public servants, excluding Crown corporations, boards and agencies and how many are (a) male (b) female?

Hon. Robert K. Andras (President of the Treasury Board): 1. As of March 31, 1976, 5,018 indeterminate full time female

employees held Public Service positions with annual salaries of $15,000 or more.*

2. Of 28 persons of deputy minister rank in Public Service departments, one is a woman. Of an additional 21 persons of deputy minister rank in boards and agencies which are designated as departments by the Financial Administration Act, one is a woman.

3. As of March 31, 1976, the total number of indeterminate full time public servants was 252,167.* Of these: (a) 170,787 are male; (b) 78,147 are female; (c) 3,233 did not supply information concerning their sex.

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* All departments and agencies as defined in Schedule I, Part I of the Public Service Staff Relations Act for which the Public Service Commission has sole authority for appointment, and also the Public Service Staff Relations Board.

RESEARCH PROJECT ON AMARANTH (RED NO. 2)

Question No. 1,123—**Mr. Yewchuk:**

What research projects is the Department of National Health and Welfare sponsoring or conducting on the effects of Amaranth (Red No.2) on human health?

Hon. Marc Lalonde (Minister of National Health and Welfare): The Department of National Health and Welfare is fully aware of world research on the safety of amaranth and other food colours, and is in continuing close contact with scientists around the world who work in this area. In addition, the department has research projects underway to evaluate the safety of amaranth (Red No. 2). These studies involve an assessment of the purity and chemical composition of the dye in order to identify minor impurities. The toxicity of the impurities is being measured by short-term microbial tests to determine their mutagenic potential. Additionally, the metabolism and pharmacokinetic behaviour of amaranth is being investigated in a variety of animal species in an attempt to select the most appropriate species for chronic toxicity testing. No untoward effects have been noted in any of the tests conducted to date. A study of the teratogenicity of amaranth has recently been completed using cats as the test species. All food colours are being reviewed with a view to tightening specifications with respect to impurities.

RESEARCH PROJECTS ON CHLOROFORM

Question No. 1,128—**Mr. Yewchuk:**

What research projects is the Department of National Health and Welfare sponsoring or conducting on the effects on human health of chloroform added to toothpastes, cough medicines and cosmetics?

Hon. Marc Lalonde (Minister of National Health and Welfare): No research projects are being conducted by the Department of National Health and Welfare on the effects on human health of chloroform added to toothpastes, cosmetics and cough medicines. The department is, however, fully aware of the results of studies on chloroform and human health conducted elsewhere. As a result of a thorough evaluation of world knowledge respecting chloroform and health, a proposal has been formulated to prohibit the sale of products containing chloroform by manufacturers and distributors of drugs and cosmetics with an effective date of September 1, 1977 and communicated to manufacturers on July 8, 1976 (see Information Letter No. 472 attached).

Information Letter

Health Protection Branch

July 8, 1976 I.L. No. 472

TO: All Manufacturers of Drugs or Cosmetics

SUBJECT: Proposed Restrictions on Use of Chloroform

New information from a recent study carried out by the National Cancer Institute in the United States suggests that chloroform may be carcinogenic in rats and mice when administered in high doses over prolonged periods. Although there is no direct evidence that chloroform as used in drugs and cosmetics, has caused injury to the health of humans, the new finding raises doubts about the long-term safety of this ingredient.

As a result of this new information the Health Protection Branch has reviewed the need for chloroform in products subject to the provisions of the Food and Drugs Act and Regulations. The Branch is aware that chloroform has a long history of use in drugs and cosmetics. Presently available information indicates that current usage of chloroform in drug products in Canada is for its antitussive and carminative properties in products taken orally, for its counter-irritant property in liniments, as a preservative, as a flavouring, and as a solvent during the manufacturing process. In cosmetics it is used as a flavouring agent. For each of these applications, it would appear that alternative ingredients are available which currently are not open to suspicion. Therefore, it seems reasonable to discontinue the use of chloroform as an ingredient in drugs and cosmetics so that there will be no possibility of a hazard to the health of Canadian consumers.

It is my intention to recommend the implementation of regulations respecting drugs and cosmetics for human use that will prohibit the sale, by manufacturers or distributors, of products containing chloroform as an ingredient. It will be recommended that these regulations take effect on September 1, 1977. It is considered that there is no immediate hazard from the drugs and cosmetics currently marketed in Canada. Therefore, manufacturers and distributors of these products would be permitted to continue sale of these products up to that date in order to provide for an orderly conversion to reformulated products.

Comments in regard to this proposal should be submitted within thirty days of the date of this Information Letter and directed to:

The Director, Bureau of Drugs, Place Vanier, Tower "B", 355 River Road, Vanier Ontario. K1A 1B8

A. B. Morrison, Ph.D. Assistant Deputy Minister

Order Paper Questions

CARGO SHIPPED TO QUARANTINE STATION, ST. PIERRE

Question No. 1,147—Mr. Forrestall:

1. What volume of cargo in (a) tons (b) cubic feet by commodity was shipped by or for the government to the government Quarantine Station on the French Island of St. Pierre for the year (i) 1970 (ii) 1971 (iii) 1972 (iv) 1973 (v) 1974 (vi) 1975?

2. What ocean freight rate is currently being paid per ton for the major commodities being shipped to the Quarantine Station?

Hon. E. F. Whelan (Minister of Agriculture): 1.

(a) Commodity	Tons shipped					
	1970	1971	1972	1973	1974	1975
Hay	636	1036	1321	1350	1294	2145
Straw	383	423	227	—	430	709
Grain	360	288	352	135	270	365
Control cattle	36	44	50	55	47	56
Control swine	3	6	2	2	2	2
Pig feed	8	0.5	6	7	15	1
Disinfectant	1	1	2	1	0.5	8
Miscellaneous quarantine supplies	0.6	0.3	2	1	2	2
Mineral supplements	—	6	2.5	5	10	—
Wood shavings	—	—	—	150	19	—

(b) Not available. All cargo is shipped and paid for on the basis of weight.

2. Not applicable. St. Pierre Quarantine Station has been closed.

NUMBER OF CANADIANS OVER 60 YEARS OF AGE

Question No. 1,151—Mr. Lambert (Bellechasse):

On March 31, 1976, how many (a) female (b) male persons were (i) 60 to 65 years old (ii) 65 to 100 years old?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Estimate as of April 1, 1976 of male and female persons in Canada who were (i) 60 to 65 years old; and (ii) 65 to 100 years old is: 60—64, Male 434,900; Female 462,000; 65 plus, male 855,600; female 1,101,300.

COST OF SKELETON CREWS OF SHIPS UNDERGOING REFIT

Question No. 1,158—Mr. McCleave:

1. What are the expected costs of maintaining skeleton staff for each helicopter destroyer, *Skeena, Nipigon, Fraser* and *Ottawa* at Canadian Vickers Yard, including, separately, the cost of any allowances for meals and accommodations?

2. What portion of the costs would have been incurred had the four vessels undergone refit at Halifax Shipyards?

Hon. Barney Danson (Minister of National Defence): 1. Nil. Under the terms of the contract with Canadian Vickers Ltd. the ships *Skeena, Nipigon, Fraser* and *Ottawa* will not be manned during the refit.

2. Not applicable in view of the above.

TOTAL AMOUNT OF GUARANTEED INCOME SUPPLEMENTS (1975-76)

Question No. 1,166—Mr. Lambert (Bellechasse):

For the fiscal year 1975-76, what was the total amount of guaranteed income supplements paid to (a) males (b) females between the ages of 65 and 100?

Hon. Marc Lalonde (Minister of National Health and Welfare): In the 1975-76 fiscal year, the total amount of guaranteed income supplements paid to those beneficiaries sixty-five years of age and older was $923,251,220.

NOTE: Statistics differentiating the sex of benefit recipients are not maintained.

MOUNTAIN RESCUE OPERATIONS IN NATIONAL PARKS

Question No. 1,171—Mr. Yewchuk:

For the year (a) 1971 (b) 1972 (c) 1973 (d) 1974 (e) 1975, how many mountain rescue operations were carried out in the (i) Kluane (ii) Nahanni (iii) Yoho (iv) Banff (v) Jasper (vi) Waterton (vii) Aiyuittug (viii) Forillon National Park and, in each case, at what cost?

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): (i) Kluane

	No. of rescues	Cost
(a) 1971	nil	—
(b) 1972	nil	—
(c) 1973	1	$375.
(d) 1974	1	$4,800
(e) 1975	nil	—

(ii) Nahanni

	No. of rescues	Cost
(a) 1971	N/A	—
(b) 1972	N/A	—
(c) 1973	N/A	—
(d) 1974	N/A	—
(e) 1975	N/A	—

(iii) Yoho

	No. of rescues	Cost
(a) 1971	4	$689
(b) 1972	2	$432
(c) 1973	2	$390
(d) 1974	2	$363
(e) 1975	1	$1,431

(iv) Banff

	No. of rescues	Cost
(a) 1971	9	$9,963
(b) 1972	14	$15,200
(c) 1973	22	$23,195
(d) 1974	21	$48,162
(e) 1975	18	$31,402

(v) Jasper

	No. of rescues	Cost
(a) 1971	12	$4,286
(b) 1972	10	$11,280
(c) 1973	10	$3,509
(d) 1974	10	$2,919
(e) 1975	12	$7,555

(iv) Waterton

	No. of rescues	Cost
(a) 1971	nil	—
(b) 1972	nil	—
(c) 1973	4	$514
(d) 1974	nil	—
(e) 1975	nil	—

(vii) Aiyuittug

	No. of rescues	Cost
(a) 1971	nil	—
(b) 1972	nil	—
(c) 1973	1	$150
(d) 1974	nil	—
(e) 1975	2	$750

(viii) Forillon

	No. of rescues	Cost
(a) 1971	nil	—
(b) 1972	nil	—
(c) 1973	nil	—
(d) 1974	nil	—
(e) 1975	1	$50

PUBLIC SERVANTS RE-ASSIGNED BECAUSE OF DISSATISFACTION

Question No. 1,177—**Mr. Herbert:**

1. In each of the past ten years, how many public servants have been reassigned to other duties because of dissatisfaction with their performance?

2. What are the salary ranges of these persons?

Hon. John Roberts (Secretary of State): I am informed by the Public Service Commission as follows: 1. Every year a large number of public servants are re-assigned to other duties because their employer is dissatisfied with their performance. If these re-assignments result in an appointment at the same rate of pay, they are treated as transfers and as such cannot be distinguished from transfers for other reasons. However when public servants are appointed to a position at a level with a lower maximum rate of pay, a demotion, either voluntarily at the request of the employee, or as the result of a joint decision between the employee and the supervisor, they are represented in our statistics. Employees appointed to a lower level within their occupational group: 1968—672; 1969—1,475; 1970—1,794; 1971—2,115; 1972—2,460; 1973—2,370; 1974—2,832; 1975—2,872. Occasionally a deputy head may find no alternative but to resort to Section 31 of the Public Service Employment Act, which provides for the appointment to a lower maximum rate of pay of an employee for incompetence or incapacity in the performance of his or her duties. During the last ten years, these appointments have numbered as follows: 1967—1; 1968—8; 1969—8; 1970—7; 1971—7; 1972—2; 1973—2; 1974—3; 1975—7; 1976—7 (January 1 to November 24, 1976).

2. Records for years prior to 1975 are not kept in such a way that the salary ranges of these persons can be readily identified.

From:		To:	
	1975		
PM-1	11,800-14,666	CR-5	11,796-12,901
PM-1	11,800-14,666	CR-4	10,394-11,364
CR-4	10,394-11,364	CR-2	7,768-8,476
CR-4	10,394-11,364	CR-3	9,363-10,232
GL-MDO-5	$4.70 p.h.	GL-MDO-4	$4.52 p.h.
	1976		
GL-MDO-5	$5.18 p.h.	GL-MDO-4	$4.97 p.h.
TR-2	14,826-19,505	TR-1	7,960-15,850
CO-2	19,015-27,688	CO-1	14,129-19,392
SR-MAN-5	$4.92 p.h.	GS-STS-3	$4.91 p.h.
PI-1	10,619-12,521	GL-MAN-05	$6.06 p.h.
STS-5	$5.29 p.h.	STS-4	$5.08 p.h.
HP-4	14,996-15,438	GL-VHE-8	$5.44 p.h.

FAMILY ALLOWANCE PAYMENTS BY PROVINCE

Question No. 1,182—**Mr. Lambert (Bellechasse):**

For the fiscal year (a) 1974-75 (b) 1975-76, did the government make any family allowance payments and, if so, by province (i) what was the total amount (ii) for how many children were such payments made?

Hon. Marc Lalonde (Minister of National Health and Welfare):

	Family Allowances			
	(a) 1974-75		(b) 1975-76	
	(i) ($000's)	(ii) Children*	(i) ($000's)	(ii) Children*
Newfoundland	55,970	225,016	60,222	226,198
Prince Edward Island	10,196	41,189	10,967	82,532
Nova Scotia	68,827	277,317	73,594	276,672
New Brunswick	58,756	235,555	63,312	237,573
Quebec	496,638	1,979,431	528,177	1,975,229
Ontario	637,368	2,550,712	685,781	2,562,022
Manitoba	81,332	326,209	87,064	326,614
Saskatchewan	76,165	305,926	81,641	306,866
Alberta	148,095	593,829	160,732	604,621
British Columbia	184,145	735,489	198,706	744,181
Northwest Territories	4,663	18,358	5,209	19,183
Yukon	1,899	7,493	2,108	7,758
Total	1,824,054	7,296,524	1,957,513	7,369,449

*Number of children in pay on March 31 of the appropriate fiscal year.

Order Paper Questions

AIR COMMAND HEADQUARTERS SALARIES

Question No. 1,219—**Mr. Howie:**

What amount has been budgeted for salaries for the present year of operation of Air Command Headquarters at Winnipeg?

Hon. Barney Danson (Minister of National Defence): For fiscal year 1976/77: Military Personnel, $5,720,000; Civilian personnel, 1,740,000; Total, $7,460,000.

PMQ SURPLUS AT GAGETOWN

Question No. 1,222—**Mr. Howie:**

Has the Department of National Defence identified one hundred PMQ units at CFB Gagetown as surplus to the Department's needs and have the units been offered for sale and, if so, to whom and for what amount?

Hon. Barney Danson (Minister of National Defence): The proposed changes to the land force posture make it necessary for DND to retain all the Gagetown PMQ units for the forseeable future. No units have been offered for sale.

DELETIONS OF CIVILIAN POSITIONS AT GAGETOWN

Question No. 1,223—**Mr. Howie:**

1. Are any permanent civilian positions at CFB Gagetown being deleted from the plan or organization within the next year and, if so, how many?

2. What is the total annual payment in salaries for such positions?

Hon. Barney Danson (Minister of National Defence): 1. Yes. Two.

2. $19,000.

FOREIGN INVESTMENT REVIEW AGENCY

Question No. 1,231—**Mr. Beatty:**

1. For each month since the creation of the Foreign Investment Review Agency, how many cases have come before it for approval?

2. How many applications have been (a) approved (b) refused?

3. What is the (a) shortest (b) longest (c) average (d) mean amount of time expressed in days, between the date of application and the date on which a decision was made?

4. Has the time limit for an offer to purchase ever expired prior to the FIRA making a decision on an application and, if so (a) in how many cases (b) in each case (i) what was the company involved (ii) how many days did it take to make a decision?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Foreign Investment Review Agency is concerned: 1. The number of reviewable cases received monthly since inception of the Foreign Investment Review Act are:

	1974	1975	1976
January	NA	15	18
February	NA	10	10
March	NA	23	19
April	2	19	38
May	6	15	33
June	11	6	21
July	13	18	30
August	19	10	37
September	6	11	41
October	16	16	55
November	18	17	31
December	11	12	—

2. As of December 3, 1976, the Governor in Council had (a) allowed 345 applications; (b) refused to allow 53 applications. In addition, 65 applications had been withdrawn.

3. Between the date of certification of receipt of an application and the date of decision by the Governor in Council: (a) the shortest amount of time was eight days; (b) the longest amount of time was 484 days; (c) the average amount of time was 112 days; (d) See (c).

4. (a) To the best of the agency's knowledge, there have been at least six acquisition cases in which the offer to purchase expired before a decision was made by the Governor in Council. There may have been other cases as investors are not obliged to advise the agency of any time limits applicable to their investment proposals. Also, in a number of cases purchase agreements have been extended pending a decision under the act. (b) Ordinarily, in cases where a purchase agreement expires before a decision is taken by the Governor in Council and the agreement is not extended, the case is withdrawn and, consistent with the requirements of section 14 of the act, the names of the parties to the proposed acquisition are not made public by the government.

AGRICULTURE AND RURAL DEVELOPMENT POLICY

Question No. 1,242—**Mr. Hnatyshyn:**

Is the government aware of the observation of the Senate Agricultural Committee that "paternalism overrides all else in agriculture and rural development policy" and that "an imposition of bureaucratic wishes upon and against the farmers' will is all too common" and, if so, is it the intention of the government to look into these reports with a view to changing the present procedure?

Hon. E. F. Whelan (Minister of Agriculture): Yes. The government is aware of these observations which are quoted from page 77 of the report of the Standing Senate Committee on Agriculture entitled "Kent County Can be Saved". It is current procedure to involve farmers and/or their representa-

tives as much as possible in the formulation and implementation of agricultural and rural development policies and this procedure will be continued.

UNUTILIZED LIP FUNDS IN BRITISH COLUMBIA

Question No. 1,354—**Mr. McKinnon:**

As of the completion of the assessment-approval phase of the Local Initiatives Programme in British Columbia, by constituency, how much was returned for re-allocation?

Hon. Jack Cullen (Minister of Manpower and Immigration): The assessment—approval phase of the Local Initiatives Program has not been completed, and, because of the supplementary allocation to the program, will be prolonged for another few weeks. Until its completion, the amount of unutilized funds available for redistribution cannot be ascertained.

REPLACEMENT OF SENNEVILLE LODGE, QUEBEC

Question No. 1,369—**Mr. Herbert:**

1. Is the decision on the construction of a replacement of Senneville Lodge in Ste. Anne de Bellevue, Quebec, dependent upon the transfer of Queen Mary Veterans Hospital in Montreal, for which there is agreement in principle, rather than on the neighbouring Ste. Anne de Bellevue Veterans Hospital where there are no discussions taking place at this time about the transfer and, if so, for what reason?

2. How many veteran patients are in each of the three locations?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. The decision on the construction of a replacement of Senneville Lodge, Senneville, Quebec, is not dependent on the transfer of Queen Mary Veterans Hospital in Montreal.

2. Ste. Anne's Hospital, 845; Senneville Lodge, 136; Queen Mary Veterans Hospital, 219.

UIC—BENEFITS PAID TO VARIOUS INCOME CLASSES

Question No. 1,422—**Mr. Lawrence:**

For the 1975 taxation year, how many persons in Canada with a taxable income of (a) $20,000 to $25,000 (b) $25,000 to $50,000 (c) $50,000 to $100,000 (d) $100,000 and over, received unemployment insurance benefits and, in each income class, what was the total amount paid?

Hon. Jack Cullen (Minister of Manpower and Immigration): See reply to Question 1,049 answered this day.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 616, 742, 1038 and 1150 could be made orders for return, these returns would be tabled immediately. I might point out to the House that the reason in each case is because of the long and detailed nature of the answer.

Mr. Speaker: Is it the pleasure of the House that these questions be deemed to have been made orders for returns?

Some hon. Members: Agreed.

[*Text*]

DEPARTMENT OF VETERANS AFFAIRS—REGIONAL OFFICES

Question No. 616—**Mr. Munro (Esquimalt-Saanich):**

1. (a) How many regional offices are maintained by the Department of Veterans Affairs (b) where is each located (c) for what area is each responsible?

2. On what date was each established and with how many personnel?

3. What is the present personnel strength of each office?

4. In addition to regional offices, are district or other sub-offices maintained and, if so (a) in what locations (b) how many?

5. Are the duties performed by those manning the regional and/or district offices line functions, in the chain of command from Ottawa to the operator in the field, or do they have other functions to perform and, if so, what are such functions?

Return tabled.

DREE—ASSISTANCE TO NOVA SCOTIA PROJECTS

Question No. 742—**Mr. Muir:**

1. What projects has the Department of Regional Economic Expansion assisted municipal units to undertake in Nova Scotia and, in each case, what was the (a) municipal unit (b) project (c) amount of the assistance?

2. Are there projects for municipal units to which DREE has pledged assistance in Nova Scotia that have not as yet been undertaken and, if so, what (a) are the units (b) is the project (c) was the amount of assistance pledged?

Return tabled.

VOLUNTARY RETIREMENT AT AGE 60

Question No. 1,038—**Mrs. Appolloni:**

Did the Department of National Health and Welfare conduct a study on the possibility of allowing voluntary retirement at age 60 with relative benefits under the Canada Pension Plan and, if so, what were the conclusions?

Return tabled.

MAN-YEARS USED IN PREPARING WORKING PAPER ON PATENT LAW REVISION AND PROPOSED PATENT LAW

Question No. 1,150—**Mr. Kempling:**

1. How many man-years were used by the Department of Consumer and Corporate Affairs in preparing the Working Paper on Patent Law Revision and the proposed Patent Law?

2. How many persons were involved in preparing the study and legislation and, how many (a) had an intimate knowledge of Patent Law (b) were economists (c) were from other disciplines and what were such disciplines?

3. Were consultations held with the Patent Institute of Canada, patent attorneys, patent agents and Canadian Patent and Development Ltd. and, if so (a) on what date (b) in what locations (c) who was in attendance?

4. What was the total cost of (a) the Working Paper (b) all salaries and wages (c) consultants fees (d) printing and preparation (e) administrative costs?

5. How many briefs were received from the (a) private sector (b) government agencies on the proposed Patent Law Revision and draft legislation and, in each case, what is the name of all those who made submissions?

Return tabled.

Unemployment

[*English*]

STARRED QUESTION

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 1,073?

[*Text*]

*PAYMENTS MADE TO GRAIN STABILIZATION ACCOUNT

Question No. 1,073—**Mr. Towers:**

As of this date, how many payments have been made into the Grain Stabilization Account and, in each case (a) on what date (b) in what amount?

[*English*]

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in so far as the Canadian Wheat Board is concerned: (a) As of November 17, no payments had been made into the grain stabilization account. (b) a payment was made November 18 of $29, 664,329.20.

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

Some hon. Members: Agreed.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

LABOUR CONDITIONS

INCREASE IN UNEMPLOYMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I ask leave, seconded by the hon. member for Sault Ste. Marie (Mr. Symes) to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the revelation that since the House last sat, unemployment has risen to 7.5 per cent, the announcement of further forecasts that unemployment throughout 1977 will remain at the highest level since the Second World War, and that related to these two points, the government has not announced, since the House last sat, any new job creation programs—and I include answers in the House this afternoon—or its intention to do so in the near future.

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby (Mr. Broadbent) gave the Chair notice of his intention to propose this motion pursuant to Standing Order 26, and accordingly the Chair was given an opportunity to reflect on the propriety of the subject matter with respect to the terms of not only the language of Standing Order 26 but also its clear application in respect of the precedents of the House. In that regard I refer the House to two previous rulings, one on June 12, 1973, when my distinguished predecessor, in respect to a proposed motion pursuant to Standing Order 26 dealing with regional unemployment and national inflation, had this to say:

[Mr. Kempling.]

Putting aside for the moment that the proposed request may be contrary to that section of the Standing Order which prohibits the raising of more than one matter, the Chair has frequently stated in considering proposed motions to adjourn the House that the question that must be determined does not necessarily concern itself with the importance of the topic raised but rather with the requirement that the matter should be one that must be given urgent consideration under the Standing Order.

In considering that portion of the hon. member's proposition which deals with regional unemployment, I think it is fair for the Chair to say that while the topic is one which has been of concern to all members, it is also one of a continuing nature which, as such, does not seem to meet the requirements of Standing Order 26.

● (1510)

On November 9, 1976 the hon. member for Oshawa-Whitby put before this House a similar motion related to unemployment. At that time I had the following to say:

Certainly, that language would indicate that a matter such as unemployment or any other matter of national concern would fall into that category. However, the practice and precedents in the House have indicated that the primary consideration which should govern the decision of the Chair in reference to this Standing Order is not so much whether a matter is one of continuing concern but, specifically, whether it is of critical proportions and constitutes a crisis as opposed to being chronic. While the matter of unemployment can scarcely be brushed aside as not qualifying under the opening paragraph of Standing Order 26, I am sure hon. members would agree that it is a matter of continuing concern as opposed to one of crisis proportions.

Therefore, in respect of that rationale which was based on the very clear ruling of my predecessor, I would have to find that unemployment remains a matter of continuing concern, and that in the opinion of the Chair, the subject—which at least in terms of its continuing nature, although perhaps related to a particular event, may in the future qualify under the Standing Order in its continuing nature—is not a matter for debate under Standing Order 26.

Orders of the day.

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

BROADCASTING OF HOUSE AND COMMITTEE PROCEEDINGS

Hon. Allan J. MacEachen (President of the Privy Council) moved:

That this House approves the radio and television broadcasting of its proceedings and of the proceedings of its committees on the basis of principles similar to those that govern the publication of the printed official reports of debates; and

That a special committee, consisting of Mr. Speaker and seven other members to be named at a later date, be appointed to supervise the implementation of this resolution.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. MacEachen: Mr. Speaker, the adoption of this motion will have a direct and important effect on the democratic process in Canada. In this debate we must face head-on questions about the precise role of this House in our democracy. We must decide whether broadcasting will enhance that role and whether it will do so without sacrificing any of the fundamental rights and privileges of parliament.

Broadcasting raises a number of important questions, but we must begin with a clear appreciation of the functions of this House and how broadcasting is likely to affect them. To begin with, the House of Commons, with the other place and the Crown, makes the laws of Canada. Broadcasting will in no way affect the legislative function of parliament. It will not alter the role of the House as a law-making body. The House has, however, a number of equally important functions on which broadcasting will exert a direct influence. First, the House is the forum in which the government must defend both its legislative proposals and its administrative actions. Second, the House provides a framework in which the opposition parties expose their views and prepare to take over the role of governing. Third, the House is the body to which Canadians send their representatives, not only to support or oppose the government of the day but to intervene on their behalf.

Clearly, broadcasting will influence these functions. It will inform Canadians about what the government is doing, about what the opposition is proposing or exposing, and about the manner in which members represent their constituents and play an integral role in the governing process. In short, broadcasting will let Canadians know better what is being done here on their behalf. This cannot but have an important influence on the role parliament plays in Canadian democracy. In this age of communications, those institutions which fail to communicate their objectives and purposes lose both relevancy and meaning for the public. It is not enough for parliament to be flexible, for governments to be responsible. Achievements must not only take place but they must be seen to take place for the public to retain its interest and confidence.

Broadcasting is certainly the best way to ensure that Canadians, particularly young Canadians, understand what we are doing here and how we are doing it. And if Canadians are well informed they will better be able to respond and will keep our democracy dynamic by letting us know what they think. This could in the future have a direct impact on the way we meet our many challenges in the constitutional field, in social and economic policy, in communications, in transportation and in the many other areas of government activities. On the fundamental question, therefore—the question whether broadcasting will strengthen Canadian democracy—my answer is an unequivocal "Yes".

Now I should like to deal with a number of other questions which the motion raises. First of all, like any proposal for a major departure, it raises not only the question, "Why?" but also the question, "Why now?" and, "How will the operations of the House be affected?" A short historical comparison provides good guidance. As late as 1874 the Canadian House of Commons did not publish an official report of its proceedings. Observers of parliament were obliged to rely on what Sir John Bourinot referred to as "partial imperfect reports in the newspapers". The opponents of printing the debates cited arguments now familiar to us. According to them, the publication of debates would drastically alter the nature of the House, leading to more and lengthier speeches, grand-standing and further domination by the occupants of front-bench seats. They feared that printed reports would be distorted by their political opponents, and they argued that the technical expertise—presumably they meant shorthand reporters—was not available or, at least, was priced beyond the means of the government. Their ultimate assertion was that nobody would pay attention to the printed reports anyway.

Publications of our present *Hansard* began in 1875 and the opponents of publication were quickly proved wrong. I doubt if anyone today would seriously propose that we abandon the printing of these reports. The technological developments of the last 100 years have transformed the debate over a printed *Hansard* into the present debate over what can best be described as an "electronic *Hansard*". Not surprisingly, we must now answer, again, many of the questions answered 100 years ago: Has the broadcasting proposal been thoroughly studied? How will broadcasting affect the dignity, privileges and immunities of parliament? Will parliament be able to stand the kind of exposure television gives? Who will control the production of the electronic *Hansard*? What use will be made of the productions? What will be the cost?

The broadcasting proposal has been thoroughly studied. Television first appeared here in 1957 when parliament was opened by Her Majesty. The right hon. member for Prince Albert (Mr. Diefenbaker) merits the credit for this first step. We have had it back temporarily for special events since then. Proposals for broadcasting parliament have been discussed on many occasions. On June 5, 1967, there was a debate on a private member's motion by the hon. member for Waterloo-Cambridge (Mr. Saltsman). A similar motion was debated on an allotted day motion by the hon. member for Peace River (Mr. Baldwin) on March 26, 1969. There was a debate in February and March, 1970, on a motion to refer the subject to the Standing Committee on Procedure and Organization, and the adoption of this motion led to a two-year study by the committee. The result of the committee's deliberations was a report to the House on June 30, 1972, which recommended the implementation of broadcasting as an electronic *Hansard*. It is perhaps worthwhile reminding the House of some of the observations made in the report, as follows:

> Radio and television and particularly the latter have become the most important media of mass communications and exert a powerful influence on public opinion.
>
> If parliament excludes itself from access to the broadcasting media it may well deny itself the opportunity of making its most effective public impact.
>
> Parliament represents the people: and one of its prime responsibilities is to inform the people. The people therefore have a right to see their parliament in action and through television coverage this right could become a reality for all people from coast to coast.

● (1520)

Those are the observations of the standing committee of the House of Commons. These conclusions have formed the basis for the government's attitude and actions on broadcasting since 1972. Speeches from the Throne in January, 1973, September, 1974, and October, 1976, have repeated the government's intention to proceed; and for more than a year my predecessor, the hon. member for Eglington (Mr. Sharp), had on the order paper in his name a motion identical to the one now under consideration. At the same time, the government commissioned a number of technical studies, including a cost study tabled by my predecessor last June, and a half-hour videotape presentation in both official languages entitled "Broadcasting Parliament" which was shown to the party caucuses, the cabinet and the press gallery.

This is the background. It is now the government's responsibility to bring the question before the House for a decision. This we are doing, encouraged by the exhortation of members opposite.

Turning to the question of how broadcasting will affect the dignity, privileges and immunities of parliament, we must recognize that some action may be necessary but that there will be no sacrifice of existing privileges and immunities. One of the purposes of the special committee to be appointed on the adoption of the motion before us will be to examine this question. If the committee finds legislation on the matter necessary, the government will bring in the appropriate bill. Parliament would also, of course, ensure that the use made of broadcasts does not infringe the privileges of the House.

The broader question about the influence of broadcasting on the dignity of parliament is closely linked to the question about whether the House can stand the kind of exposure television gives. This is a matter of concern to all members. For my part, I do not subscribe to the view that the House cannot stand exposure. The purpose of broadcasting is not to provide entertainment, nor to convert the House of Commons to "show business"—although it displays such proclivities from time to time. The purpose is to provide Canadians with information and an archival and educational record of the proceedings. All members are aware that debate in the House is occasionally something less than scintillating, and that Canadians cannot be expected to remain glued to their television sets while we discuss such exotic things as bills dealing with consular privileges. But it is foolhardy to argue that Canadians will not understand the workings of the House and that exposure will be unhealthy. Indeed, exposure may well exert a healthy influence on the calibre of debate and the enthusiasm with which members put forward their views. It may also produce a better public understanding of the fact that a member's duties extend well beyond attendance in the House and often centre on the need to intervene on their constituents' behalf with the government and its agencies. In short, I have confidence both in the ability of this institution to adapt to new challenges and in the ability of Canadians to understand the workings of parliament.

[Mr. MacEachen.]

The experience in other legislative bodies which have permitted broadcasting supports these positive expectations. Any observer of legislatures around the world recognizes that broadcasting has not had the negative effects foreseen by its critics. Television broadcasting is carried on in the Alberta and the Ontario legislatures on an ad hoc basis by the media. Nova Scotia has permitted experimental television broadcasts. Recently, the Quebec government has indicated that broadcasting of the proceedings of the Quebec assembly may become a reality in the near future.

At the international level, broadcasting is even more prevalent. Television broadcasting has taken place at the United Nations for some time, and a total of 21 national parliaments permit either live or recorded television broadcasts. Radio broadcasting, still a very important facet of communication, has been permitted by a number of national parliaments in addition to those permitting television broadcasts. Members of the House will, of course, know that the hon. member for Nanaimo-Cowichan-the Islands (Mr. Douglas) deserves recognition as a pioneer of radio broadcasting for his role in initiating radio broadcasts of the Saskatchewan legislature over 30 years ago.

Turning to the matter of production and control of the "electronic *Hansard*", several points must be made. First, production is to take place on the same basis as the present production of the written reports; that is, under the authority of the House as exercised by Mr. Speaker. The standing committee chose this option over control by the media or some external body or enterprise. The reason is clear: only supervision of production by the House itself, through Mr. Speaker, can ensure that the record of the proceedings is complete and that parliament's traditions and procedures are respected.

The second point about the proposed system is that though parliament would assume responsibility for producing the official "electronic *Hansard*", it would not assume responsibility for the editing of broadcasts by the media. It would not be consistent with the freedom of the press for parliament or the government of the day to attempt to direct how and when use should be made of the broadcasts. Though some members may hold reservations about the impartiality of the media, it is clear that editing by parliament would create controversy and confusion and, at the same time, impose a form of censorship undesirable in our democracy. Thus, parliament would produce the basic material, in both official languages, as it now does the printed *Hansard*. But broadcasters, educators and researchers would use the material according to their requirements. This would, of course, be subject to insistence by parliament that its fundamental rights and privileges be observed, as it is now the case with the written reports.

My third point about the proposed system concerns the distribution of the "electronic *Hansard*",. In the initial stages of the implementation of the resolution, parliament will be brought to Canadians primarily over the existing radio and television networks and private stations. The major Canadian networks have already indicated their interest, and it is reasonable to expect that they will fill the very valuable role of

showing parliament on news, public affairs and documentary programs. Looking at the longer term, the report of the standing committee dealt with possible means for broadcasting, on a national basis, as comprehensive a record of the proceedings as possible, to give the public the opportunity to view the proceedings without intermediate editing by the media. The government endorses the principle that Canadians should be given direct access to the proceedings. Of course, many technical and practical problems will have to be worked out before such transmission becomes a reality, and it is likely that this will be one of the later stages in the implementation of the resolution.

Looking ahead, then, when the motion is adopted, the committee will be set up and charged with supervising the installation of production facilities, examining the distribution needs of the media and members themselves, and reviewing methods of ensuring that the rights and privileges of parliament are preserved.

Though broadcasting would not begin the day after the adoption of the motion, televising of special occasions, such as the budget debate, by temporary equipment would be possible almost immediately, and work on installation of the permanent system should be well under way by the end of the summer recess.

I do not intend to describe at this moment the nature of the production facilities which are envisaged, since I understand other members wish to comment on this subject in some detail. Let me say simply that technological innovations in recent years have made it possible to instal a completely remote-controlled system in which neither cameras nor production personnel would be visible, and to light the House without causing the physical discomfort we have experienced on occasions in the past.

● (1530)

Finally, I should like to deal with the question of cost. The feasibility study undertaken by the CBC, and tabled in the House, estimated capital cost for installing the production facilities at $3,269,000. The annual operating cost was estimated at $935,000. These costs are considerable, but let us not use this as a red-herring argument against broadcasting. At present, the total annual printing bill for parliament is approximately $3 million, $2 million of which is accounted for by printing the debates of the House, the Order Paper and Votes and Proceedings.

Clearly, the operating cost for broadcasting, at less than half parliament's annual printing cost, cannot be considered a serious impediment. Broadcasts could reach millions, while *Hansard* has a circulation of under 14,000. In terms of percentage increase in the cost of operating parliament, broadcasting costs would amount to an approximate 1.7 per cent increase in the present total of $56 million.

I have no doubt we will hear complaints during the debate about how broadcasting will end traditions here. Yet, while listening to arguments about privileges and rights we should bear in mind remarks of Edward Blake, a most distinguished parliamentarian and a member of the government that instituted the printed *Hansard*. He said:

The privileges of parliament are the privileges of the people and the rights of parliament are the rights of the people.

Now that broadcasting is technically possible, we cannot ignore our responsibility to the Canadian people—the responsibility to allow them the fullest knowledge of what is being done on their behalf here in parliament. I hope, Mr. Speaker, that the House can move rapidly to a favourable decision and that we can move ahead in a very fundamental innovation in the operation of the Canadian parliament.

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in the last portion of his speech the minister quoted Edward Blake. In looking across to the other side of the chamber day by day I am reminded of Disraeli who, when looking at the treasury benches, saw before him a row of extinct volcanoes. When I look across to this government, what I see reminds me of a mud flat after the tide has gone out.

I listened with some interest to the minister's speech. I am somewhat amused by this government's issuing a clarion call for openness in parliament. This, from the mouth of the government House leader, is really a blasphemy considering what the government's attitude has been toward openness in government, in parliament, in answering questions or anything else with regard to providing a look into the operations of government by we whom the government House leader described as the representatives of the people.

Aside from its dullness, the speech is a list of pious platitudes from this government which speaks in the name of openness—believe it or not, this government that denied to this House a full debate on Viet Nam during the course of the twenty-ninth parliament. When that debate, which was called by the minister's predecessor, got a little hot, it was immediately cut off. The government has asked the opposition to debate national issues such as unemployment on its opposition days. It volunteered no initiative itself. The government has not given the House of Commons and, therefore, the people of Canada, an opportunity to discuss for even one day the cold ramifications arising from our position as a nation in the world in terms of foreign affairs. The government House leader is a former foreign affairs minister. Perhaps that is the reason we have not had the debate on that point.

This move by the government at this time is just so much hypocrisy. It is shrouded in the swaddling-cloth of questionable piety, on the one hand, and synthetic rectitude on the other.

We are back, after a parliamentary recess, faced with about the same legislative wasteland that we faced before we left. In terms of the order paper, after a month there is nothing new that shows itself. It is not even worth opening. It would not even be interesting to a student of the history of this time. There is nothing that faces us in this House except the fact that it is becoming glaringly apparent that the government wasted the recess. That is not to say they did not communicate

with us. I received a letter, today, dated Friday, January 21. It was not delivered to my office this morning, or on the weekend; it was delivered to me in the House today. It states:

In managing the business of the House, I have in mind that members can give effective representation to their electors only if they have adequate and frequent contact with them.

Has anyone thought that the government might have done a little bit of work at Christmas? After all, the government are paid extra salaries with respect to this matter. It then states:

If the House continues to move at its pre-Christmas pace, I fear that there will be even less time available for members to spend among their constituents.

Isn't that a great way to start off a session?

Mr. MacEachen: You had better table the letter, now that you have read it.

Mr. Baker (Grenville-Carleton): With your permission, Mr. Speaker, I would like to table the letter. I have copies of it here. Unfortunately, I do not have it in both official languages, but it would be equally offensive in both official languages. It goes on to state:

As a first planning step, we should attempt to agree on the completion of the 13 items on which the House has already taken some time.

Historic sites—is that what the government House leader has in mind as business to occupy us in this period of restraint when, notwithstanding the platitudes of the government, people are having trouble with respect to the fight against inflation? Almost 800,000 people in this country are unemployed. There are 82,000 more people unemployed now than there were last August. Is that the issue of priority?

The first step is for the government to make up its mind as to what are its priorities. In taking that first step there might be other things more relevant than the particular matter before us today. This is management by the managers, the technocrats, the men and women who pride themselves on being able to manage the economy, the House, and people's lives, the so-called indispensibles who have led us into an economic valley of the shadows. The government has demonstrated today its inability to solve anything, even to settle priorities for itself and rise to the challenges which face us. It cannot even order the priorities of this House responsibly. Even the most ardent apologist for the government is embarrassed by what has happened in the first part of this session, and equally embarrassed by the sense of priority shown in the designation of government business today.

● (1540)

It is important that the public should know the government's priorities. There is no evidence of any intention, for example, to bring forward a freedom of information act, which ought to be the cornerstone of the open government to which lip service was given in the pieties which have been expressed on the other side; this is something for which my hon. friend from Peace River (Mr. Baldwin) has called repeatedly.

Let me make this clear: the prospect of the broadcasting of our proceedings has a wholesome, tantalizing effect upon me. Frankly, I should like to see such broadcasting started in the public accounts committee when we are dealing with the foolishness of government, when we are dealing, let us say, with a report of the Auditor General. I would love to have seen the television cameras in the House when the President of the Treasury Board (Mr. Andras) was trying to justify the appointment of a royal commission on a royal commission. I would love to have seen television in the House of Commons when the Minister of Transport (Mr. Lang) asked the House to accept that the expenditure of $740,000 of public funds was a worthy price to be paid for his meanderings across the country to preach the gospel. He could do this in living colour and we would catch the blush on his cheek. It would be a wonderful thing to see him standing there with all the apparent innocence of a newly-laid egg.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): If broadcasting is to be the order of the day, we must debate it. But I hope the government does not believe the people of Canada will be fooled by this parliamentary diversion. They see their country going to hell in a hand-basket, aided and abetted by a government which is suffering from an acute case of the political DT's.

It is obvious that television is, really, the meat of the debate. Television is a many-faceted medium. On the one hand, it trivializes matters of importance, and on the other it can elevate the rare or the unrepresentative to omnipresent reality. All of this is paid for by distorting our evaluation of our own needs and confusing our judgment as consumers. Yet the very people who curse at commercials and sterile programming assume that television's intrusion into everything is either natural or inevitable. That is the remarkable thing about the present debate: except for a number of concerned people in this chamber, a debate on the subject of broadcasting House proceedings could hardly be said to exist. Our constituents believe that television is coming to the House. They are not interested in the argument for it or against it. They want to be able to watch it when it comes—and many of us suspect they will probably turn it off soon afterward. I suggest it is this sentiment of inevitability, as much as any conclusive debate, which will bring television into this chamber.

With a considerable number of reservations which I and those who follow me will put on the record, we will support the main object of the motion. Indeed, it is difficult to counter the weight of the argument that the people have a right to see and hear what is happening in parliament. But there are some deep reservations felt in this place and elsewhere, and I intend to express some of them in the form of an amendment. In particular, we protest vehemently the manner in which broadcasting is being introduced. The motion amounts to a strictly "take it or leave it" proposition, and we know that those opposite have been instructed to take such an attitude.

There are two fundamental questions to be dealt with. First: If the proceedings of this chamber are to be broadcast, by what process will broadcasting be implemented, and how will the innovation be evaluated? Second: What will be the effect of bringing into a chamber, whose chief purpose is to deal

thoroughly with detailed and complex business, a medium which is judged by its ability to entertain? I want to deal with the second question first. We have to be concerned whether the selective cameras will give an accurate picture of what is really happening on the floor of the House. Despite our rules, it sometimes happens that more than one person is speaking at once, or is competing for the attention of the Speaker by a process which is somewhat undignified. Mr. Ward, the Associate Editor of *Hansard*, has made a comment with respect to that matter which I should like all hon. members to read. However, the question of the camera's view is the smallest part of our concern: the use made of film by various news editors will be the most important cause of concern to us all. What will those editors look for? Will they look for evidence of hard work, careful preparation, intelligence, persistence, perception? Or will they look for excitement and drama—and, in the process, attempt to create it? Will the questioner be in the evening news film clip, or will it be just the minister replying, however reluctantly? A need will arise, so far unfulfilled in the print media, for commentators who understand our procedures; and we must assert that those procedures are not irrelevant simply because they are complicated.

If television does bring about a change in our chamber—as many hope, and some fear—will that change be for the better or for the worse? Will we get along with it a freedom of information bill to provide the depth in our debates which people will expect, or shall we merely be driven to shorter speeches for the sake of better television as opposed to better debate? We must hope—I certainly hope—that television and the public reaction to it will not compel us to sit here during the discussion of business which does not immediately concern us and at times when we should be in our offices or in committee discussing things which do.

There is an expectation that television will highlight our so-called archaic rules. I imagine the government looks forward, as a result, to acquiring more power because the exercise of power is more entertaining than the tedious process of probing, delaying, exposing and qualifying, which is the task of the opposition. I assure the government that we shall continue to discuss rule changes which will give parliament the power to provide those checks on executive action which it is the purpose of parliament to provide, but that we shall resist any change which confuses relevancy with entertainment.

If I have been expressing anything, I have been expressing the doubts of one forced to run across unknown fields when prudence and experience dictate that we walk. We grow weary of watching the government advance with blind and extravagant confidence, and then retreat with banners flying, and public relations men trumpeting as though predictable defeat was justified by blatant confession.

Mr. Speaker, I wish to emphasize that our reservations are put forward on behalf of the institution of parliament. As a party, we feel that the government's rashness will be its own undoing. Viewers are bound to tire of the government's persistent assertion that the release to parliamentarians of studies done at public expense is, somehow, never in the public interest. They will demand more than slick answers in the question period, and will wonder at the casual passing to powerless parliamentary secretaries of important policy questions, which we saw today. They will be astonished to see billions of dollars of estimates whisked through after only cursory examination. That is the effect of the rules of this House now. It is going to make very depressing television for Canadians. I think it will be so depressing to them that the advent of television—and I support it for more than just this reason—is likely to speed the Liberal party's demise and its removal into a period of rest, which it deserves beyond measure.

• (1550)

Perhaps for all of us our constituents will appreciate the grinding tasks that we must perform, and perhaps they will come to reject as inadequate analysis the fashionable cynicism purveyed about us from time to time. I hope that will be the case. In short, Mr. Speaker, we must hope that good television and good parliamentary democracy are natural companions. We will have to wait and see, though, because no one in this chamber can predict that.

Will television bring out the best, or the worst, about this institution, or make no difference at all? That should be a sobering question for parliamentarians, and it is a shame that in the resolution as it is now framed we will not have the chance seriously to study the possibilities.

We are not without forerunners in this experiment, and we are not compelled to jump into broadcasting with all its unknowns. In Alberta, viewer ratings are so low that the networks are discussing turning over the broadcasts to the educational channel. In Nova Scotia, where a three-week experiment in televising the proceedings took place in 1971, no one has made any further demands for its continuance. In Ontario, where cameras have been admitted to the legislature, very little actual coverage takes place. In B.C., after many reports on the subject recommending broadcaster access, the government indicates that they have no immediate plans to allow television in the House.

As well, these arguments are related to the type of coverage that is, in the end, permitted. Saskatchewan has had radio broadcasts of House proceedings for almost 30 years with very little negative consequence. Television brings its own impact, but radio, in fact, may not. Perhaps the only clear message in all of these pro and con arguments is the need to discuss carefully, and introduce slowly, any major broadcasting efforts. Even the most trivial change in our rules seems to get more attention than is implicit in the resolution that is before the House with respect to broadcasting.

Where, for example, is a study on the implications of this move for parliamentary privilege? We can accept the platitudes of the government House leader, but where is the study and where are the conclusions? Is parliament to take part in this, or is it all to be done in the privy council office? Should we not have a committee report on our vulnerability to libel and slander laws before approving this motion? Will we be

restricted in what we say, and to what extent? Conversely, what protections will other Canadians have from televised slanders? There is a vast difference between an intemperate remark in this House which may be buried in *Hansard,* on the one hand, and an insulting or libellous phrase broadcast on national television.

Where, too, is the chance for us to determine whether this is the most cost-effective way of providing broadcast facilities? The government House leader says the sum of $3.5 million will be the cost, but it will probably be more than double that. One million dollars is required for operating expenses. I hate to use the word, but I am sure it is a "conservative" estimate. What we are doing here, Mr. Speaker, really is subsidizing the networks. We have no idea whether MPs will be happy with the facilities or whether or not the networks will use them to any significant extent. Are there no cheaper alternatives? What chance have we to ask the networks how they plan to use the films? Does the government intend to ask the networks whether they plan to contribute to the cost so that the burden will not all fall on the public purse?

Not only do we have no committee stage before we are faced with the motion, but the motion itself in its very terms is a study in obscurity. It proposes to establish broadcasting "on the basis of principles similar to those that govern the publication of the printed official reports of debates". What are these principles, Mr. Speaker? Obviously, not all the principles that apply to *Hansard* can apply to broadcasting. MPs cannot send the electronic *Hansard* out to their constituents to provoke interest or clear the record. There can be no in-House editing. We cannot append anything to it. An electronic *Hansard* is primarily for the use of the media, and not the member, and there can be no greater deviation in principle than that. It is something that this House as an institution ought to consider.

According to the motion, we also get a committee, not to estimate the need or set the method, not to evaluate performance or hear complaints, but simply to supervise the implementation. Is that the only term of reference? When is the implementation stage deemed to be finished? More seriously, we wonder if its deliberations are of any use at all because the Privy Council, in making the technical decisions, has probably now decided the ethical questions as well.

Why cannot we make what may be a far-reaching change one step at a time? Would it not be more logical to discuss this fully in a committee with the power to make judgments on whether we broadcast at all, and if so, how? It does not seem right to me that the executive should make, on behalf of the House, a decision which could have an enormous effect in its outcome on the way the House, is proceeding.

A committee of parliamentarians should have been established as a first step. Some will say, as the House leader said, that a committee was established in 1972. He said it in such a way as if that committee had finally and completely made recommendations respecting not only the principle but now it was to be implemented. If that is what he meant by what he said in his speech, then I say with regret that he misled the House, though I am sure he did so inadvertently. I ought now to remind the House of what in fact that committee did recommend in 1972. I will simply read that committee's recommendation. It was as follows:

Your committee, while agreeing in principle with radio and television broadcasting of the proceedings of legislative assemblies and their committees, believes that certain further steps should be taken before a final report is made and therefore recommends:

(a) That a cost and technical study of building, equipment, personnel and other requirements consequent upon the introduction of radio and television broadcasting of the House of Commons and its committees be undertaken in consultation with this committee—

This has not been done. No subsequent committee has been consulted, and the technical studies are internal documents. As a matter of fact, Mr. Speaker, not one member of parliament has received those internal documents, yet we are asked to deal with this matter.

Mr. MacEachen: They have been tabled.

Mr. Baker (Grenville-Carleton): The second part of that recommendation—

Mr. Reid: They have been tabled.

Mr. Baker (Grenville-Carleton): All right, so they have been tabled. The recommendation continues:

(b) That closed-circuit experimental broadcasts by radio and television of the proceedings of the House and its committees be undertaken in consultation with this committee—

I think that is an equally sensible suggestion, but it has been ignored by the government in this present proposal. The recommendation continues:

(c) That your committee be authorized, in the light of the above-mentioned studies and experiments, to make further recommendations to the House for ultimate decision.

Not the executive branch, Mr. Speaker, but a standing committee of the House of Commons. I think the committee hit on the logical sequence. The tabling of those documents may have taken care of the first, but the second and third remain outstanding and are relevant. First, careful study by a committee of the implications of broadcasting, followed by an experiment. We might have tried radio and then television, for their advantages and disadvantages are by no means identical. Finally, we should have a chance to evaluate the experiment—not after people have forgotten about it, not when new initiatives must be taken to raise the topic again, but before expensive, long-term commitments have been made and after people have had a chance to watch it, conscious of its status as an experiment.

The committee on procedure and organization of the twenty-eighth parliament was worth listening to only when it proposed changes in the rules that would accrue to the advantage of the government. Apparently it was not worth listening to when it declared the virtues of careful thought and cautious progress.

● (1600)

In supporting this resolution in principle we on this side of the House are hoping that the most optimistic predictions

about broadcasting will be realized. We accept that at its best television can educate people to the complexities of politics, of public issues and to the duties of citizenship. Televised proceedings have the potential to give viewers a better idea of reality than the hurried summations of reporters or the reworked and revised opinions we give downstairs at the scrum. People will have a chance to see that although there are elements of comedy and occasionally tragedy in this place, it operates mostly on hard work and long hours. Both criticism and praise for this institution and its members will have a firmer foundation.

As I said before, any reforms forced from outside may rebound to the benefit of parliament and not the executive. The need for a freedom of information bill will become obvious, as will the importance of real control by this House and its members of the estimates of the spending of government.

We should be willing to promote the maximum degree of public access compatible with our need to discuss seriously the nation's business, but there should be no confusion in our minds. This is not a step toward an open parliament. We already have that. It is, rather, a step toward an illustrated parliament. For if we are to have openness in this country, and if we are to have openness in respect of this government, more courageous action is required by the government, and that action we eagerly await. But from what we have heard in the last few days, we are, perhaps, not about to get it.

There are members in this party around me who advocated broadcasting House proceedings long before this motion was presented and, in fact, long before my predecessor in Grenville-Carleton led the original committee investigation. There are also people who have always had strong objections; objections which I do not think were considered as they should have been by those who drafted this peremptory motion. In a debate that concerns the nature—and I underline the word "nature"—of our roles as parliamentarians, we should not pretend to an artificial unanimity which does not exist.

A Progressive Conservative administration will view television in this House as an experiment. We will do what should be done by this motion, that is, set up the machinery for evaluation and review and decide whether to continue and, if so, on what basis. In the meantime, sir, it is unfortunate but true that what the predecessor to the present government House leader said on October 28, 1976, would occur has not in fact occurred. The hon. member for Eglinton (Mr. Sharp), in an interview by William MacPherson of the Ottawa *Citizen* on that date, stated that the new resolution would contain all the proposed safeguards against interference with MPs privileges, something that is not evident in the present resolution nor the ones that he himself, as former House leader, put on the record.

We can speculate that the government is withholding these protections to which I have referred in my speech in terms of this resolution for some reasons of its own. I happen to think—and I hope this view is shared by people who care very much about this institution—that the reservations in the report of the committee of 1972 meant something and that the report of 1972 is not yet closed.

For these reasons and the reasons I have discussed, which will be expanded upon by other members of this House, I should like to propose an amendment to the resolution before us. I move, therefore, seconded by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn):

> That the motion be amended by striking out all the words after the word "that" in the second paragraph, and substituting therefor the following:
>
> "The cost and technical studies of building, equipment, personnel and other requirements consequent upon the introduction of radio and television broadcasting of the House of Commons and its committees be referred to the Standing Committee on Procedure and Organization for study and report, and
>
> That the committee examine the possible effect of broadcasting on the rights and immunities of members of the House and the rights and protections due to the public, such examination to include the subject matter of any relevant report made to the House by the special committee on the rights and immunities of members, and
>
> That experimental broadcasts by radio and television of the proceedings of the House and its committees be undertaken in consultation with the committee, and
>
> That the committee be authorized, in the light of such studies and experiments, to make further recommendations to the House before permanent broadcasting facilities are installed.

While that motion is being delivered to you, Mr. Speaker, I would ask for the unanimous consent of the House to the tabling of the letter referred to during the course of the debate which was requested for tabling by the government House leader.

Mr. Deputy Speaker: Order, please. In respect of this last point I would bring to the attention of hon. members that according to Standing Order 41(2) the tabling of documents can only be done by ministers of the Crown or by parliamentary secretaries. Let me refer hon. members to citation 159(3) of Beauchesne's fourth edition which reads as follows:

> It has been admitted that a document which has been cited ought to be laid upon the table of the House, if it can be done without injury to the public interest. The same rule, however, cannot be held to apply to private letters or memoranda.

The hon. member is seeking leave as a private member to table a letter which he has not really identified to the Chair. Of course, the Chair is under the impression that it is a letter which was sent by the President of the Privy Council (Mr. MacEachen) to hon. members of the House, but it has not been identified as such. Of course, the House is the master of its own rules, but based on previous rulings by Mr. Speaker Lamoureux I would even hesitate to seek unanimous consent for the proposal of the hon. member to table the letter. I base that on a ruling of Mr. Speaker Lamoureux of March 20, 1973, as follows:

> The rules do not, of course, provide for the tabling of documents, even official documents or so-called confidential documents, quoted in the House by private members. The rule only applies when such a document is quoted in debate by members of the government. It cannot apply to hon. members generally. The suggestion is very often made in debate, when hon. members refer to or quote from a document, that the document in question be tabled. Certainly we would become involved in a very complicated practice, a practice which could easily lead to abuse, if we made it possible for members generally to table documents. I think that is not the purpose of the rule dealing with the tabling of documents.

At this point the hon. member for Calgary North (Mr. Woolliams) sought permission to ask the House for its unanimous consent. Mr. Speaker then added to his comments the following:

● (1610)

Obviously there is not unanimous agreement. In any case I would hesitate to seek the unanimous consent of the House to allow a private member to table a document. I doubt whether this would be a good practice in which to become involved.

In any case, the House is master of its own rules and, as I have said, so as not to open the door to the tabling of any documents by any hon. members in the House perhaps I could make a suggestion which could be acceptable to the House. Perhaps by consent we could attach the letter to today's *Hansard*.

Mr. Baker (Grenville-Carleton): I did not mean to cause a fuss, Mr. Speaker; I was only responding to the shouts from the other side to table it. I am sorry that we will not have it. If that is a suggestion that you are putting to me, sir, I will certainly withdraw the request. I would be delighted to have the letter attached to today's *Hansard*. I think it will be a very interesting document as we move into this session.

Mr. Deputy Speaker: This requires the unanimous consent of the House. Is there consent to having the letter referred to by the hon. member attached as an appendix to today's *Hansard*?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: There does not seem to be unanimous consent.

Some hon. Members: Oh, oh!

An hon. Member: Where are the cameras?

Mr. Alexander: Give us your first official statement as whip, Gus.

An hon. Member: Spineless!

Mr. Deputy Speaker: Order, please. Coming back to the amendment moved by the hon. member for Grenville-Carleton (Mr. Baker), it is my feeling that it might be preferable for the Chair to take it under advisement, because at first glance I am hesitant to accept it in its present form. At the same time, I might read paragraph 6 of citation 202 which reads as follows:

It is not an amendment to a motion to move that the question go to a committee.

Farther on, paragraph 15 of the same citation reads:

An amendment approving part of a motion and disapproving the remainder is out of order.

I have the impression, after quickly reading the amendment proposed by the hon. member, that it might have this effect. So I would prefer to look at it more closely and give a ruling later. In the meantime, if the House agrees, I will call on the hon. member for Oshawa-Whitby (Mr. Broadbent) to continue the debate. Is that agreed?

Some hon. Members: Agreed.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should say at the outset that I almost lost a bet. Earlier today I discussed with a colleague my concern that the Progressive Conservative Party of Canada so far has been able to go through this parliament without taking a stand on any issue. I said that I believe this will continue, and the colleague said, "No, you watch; they will come down definitively and unequivocally on the television debate issue".

I listened with great care to the House leader of the Conservative party speaking, and for the first three-quarters of his speech I said to myself, "My goodness, I have lost my bet; they will make up their minds on this issue." He gave all the arguments in favour of adopting television and radio broadcasting of the proceedings of this chamber to bring it up to this point in the twentieth century. However, I then heaved a great sigh of relief because I won my bet. The House leader of the Conservative party produced an amendment which completely contradicted everything he had said. If the House accepts the force of the amendment put forward by the hypocritical Conservative party, this committee will look into the cost of applying broadcasting to the House; it will look into its effects on the rights and immunities of all members of the House; and it will have the right to make further recommendations and, presumably, the right to kill the whole idea.

In short, what the Conservative party wants, as usual, is to have it both ways. They want to be able to trot out all the nice arguments in favour of something, but instead of having the guts to follow it through and maybe take some flack about some bad aspects, they withdraw and say, "Let us have the committee do what in fact two committees of the House have done already in two parliaments, in two sessions, that is, look into the whole issue of broadcasting the proceedings in the House." I have heard a lot of hypocrisy from the Conservative party, but they outdid themselves today. I can say that we will have nothing to do with that absurd amendment, even if Your Honour rules it is in order.

Mr. Hnatyshyn: Anything like that from you is a compliment.

Mr. Broadbent: We hear a front-bencher of the Conservative party, who recently discovered there was unemployment in Canada, say, "Look at what the Gallup poll said". That is the gist of his comment. The implication is that my party has remained at 16 per cent and his party has gone up. Of course I want my party to go up in popularity, but I tell the hon. member that I and my colleagues were elected to the House of Commons not to play popularity games, not to be cynical on both sides of this issue, but to take a stand. We will defend the government today, and we do not mind doing that when they are right. I say to the hon. member that his party has remained in almost perpetual opposition in this century in the House of Commons, certainly since the Second World War. The fact

that it does not have the intellectual and moral fortitude to come down on issues perhaps has a lot to do with that.

Having said these words about the official opposition and its great resolution to come to grips with policy, I want to say also that having spent some time prior to this weekend touring part of the province from which the government House leader comes, that section of Cape Breton where 30 per cent of the labour force is out of work, having come from Newfoundland where 30 per cent, in real terms, of the adult population is out of work, having learned that in six months alone 20,000 Newfoundlanders have given up looking for work and have withdrawn from the labour market, and having listened to the President of the United States who campaigned in the past year on the basis that in his country unemployment was the number one economic issue and has decided that his administration would allocate billions of dollars to deal with unemployment, I was disgusted as a Canadian member of parliament to hear last weekend that the government, after four weeks of sitting back during the Christmas recess, and during that time hearing another forecast that unemployment in Canada in 1977 was going to be the highest at any time since World War II; and, the highest since World War II, I repeat, to the House leader who comes from a province that suffers from unemployment—

An hon. Member: Get back to the bill.

Mr. Broadbent: I am coming to the bill very soon, Mr. Speaker, because I am going to say that one of the advantages of television will be for the people of Canada to see the Prime Minister (Mr. Trudeau) of this land get up, as he did today in the House when he was asked about unemployment, shrug his shoulders and turn to a parliamentary secretary to answer the question.

Mr. Hnatyshyn: How can you defend such a government?

Mr. Broadbent: I say to the government that if they do not smarten up soon they will be out on their collective asses. That is where they will be in terms of the concern of the people of Canada.

Some hon. Members: Oh, oh!

An hon. Member: Remember that, Allan.

Mr. Broadbent: The government House leader smiles. I ask him to go back to Cape Breton and talk to the workers in the Toyota plant who, as he probably knows, have been out of work for 11 months, men whose average age is about 40. They have been 11 months without employment and without any action by this government. Let him explain to them how he can bring in today this kind of bill.

● (1620)

Do hon. members know what bill the government is going to introduce next? It is a bill concerning the metric application to agriculture. That is the second priority. The first measure the government brings in is this measure, which any sane person in the twentieth century will accept. We are not going to dilly-dally around and shilly-shally like the Tories. We accept the committee report. We accept its recommendations. The Tories supported it in committee; now they are backing down again. We support the idea. But why could the government not come in today and recognize, as the President of the United States has recognized for some time, that this continent is in trouble? It is in trouble, but hon. members opposite sit and do nothing. They sit and do not care. I suspect they are sitting and hoping for the American economy to turn around and bail them out before the 1978 election. In the meantime, 800,000 Canadians go without jobs.

I conclude that the government has the wrong set of priorities, but that could be illustrated in a rather democratic way if we had television and radio brought into this House. We accept unequivocally—not in a qualified way—the recommendation in the resolution which has been brought before the House today for debate. I would have thought that the Tory members would have learned something from the experience in the Ontario legislature. The experience there has illustrated that there is no problem with television if implemented along the lines under which it is proposed to implement it under this resolution with a committee chaired by the Speaker of this House. Another legislature, the Tory legislature of Alberta, has had its proceedings broadcast and there have been no problems concerning the rights and immunities of members to which the federal Tories refer in their amendment. The experience in Canada and in countries abroad which have introduced radio and television has been positive.

Mr. Kempling: What is the rush?

Mr. Broadbent: The Tories ask, "What is the rush?" The Tories have had a hell of a time getting into the twentieth century, and they say that anyone wanting to get us into the latter part is rushing it. The result of the experience in other legislatures has been a feeling that an updating of media coverage is long overdue.

Not many people subscribe to or read *Hansard*. It is an important document, but it does not have immediate relevance to most people. Most people read the press, and fortunately the press has reported parliamentary proceedings from the outset. We have had radio for a long time, and I am pleased that the government House leader gave credit where it is due to one of my predecessors, a former leader of this party. When he was premier of the province of Saskatchewan, he did not hesitate or equivocate. He was the first premier in this land to introduce radio, which was then the new and expanding medium, to cover the proceedings of the legislature. That was 30 years ago. We are 30 years behind.

So by all means let us proceed with this resolution. We are not going to put up a series of debaters. We are not going to support an amendment which would delay its passage. We want it passed and implemented so that the people of Canada can have access to the proceedings of this House which they should have had many years ago.

I want to make two straightforward points about the advantages of broadcasting House proceedings. It will enable the people of Canada, by way of radio or television, to see the adequate or inadequate performance of government or opposition members. I have confidence that with the supervision of the proposed committee the proceedings will be covered in a fair way, but if they are not in terms of technical requirements, hon. members can be sure that the people sitting up in the gallery covering this debate today will make it known. If the government of the day which has administrative responsibility is somehow distorting from a technical point of view the coverage of the proceedings, that will become known. I have no fear on that score at all. The people of Canada would be able to see the good and the bad performances on both sides of this House directly through television or to hear them on radio.

Second, on occasions of very great political importance in the history of this country, too frequently in the recent past the Prime Minister has said he could not come to parliament first to make important statements. Either time has not permitted or there has been some other rationalization given requiring him to go directly to television or to radio, thereby denying an important parliamentary right. We often hear bogus and phony arguments about parliamentary rights and privileges. In my experience, 80 per cent of them are bogus and phony. However, some of them are not and one of these, in my view, has been the traditional practice in our kind of democracy, dating back at least 100 years, for the prime minister to make major announcements or statements in the House and to inform the leaders of the opposition parties of such statements in advance, normally giving advance copies so that they can have a minimum amount of time to prepare a sensible response, especially in times of national crisis.

As I have said, on a number of occasions in very recent history—the most recent one being the election of a Parti Quebecois government in the province of Quebec—the Prime Minister did not make his initial statement in this House and receive the response of the democratically elected opposition, but went directly to television. I regret having to say that there were no advance copies given to the leaders of the opposition parties so that their responses on television at that time could be based on a careful analysis of what he had to say.

By bringing television and radio directly into the House, it seems to me that short of a response to a declaration of war—and presumably that should also be made in the House—I cannot think, off the top of my head, of any circumstances in which the prime minister of the day, once we get television and radio into this House, could not make his statement to this central, democratic body which is crucial to the democratic history of this country. If this is the argument the Tories were really concerned about—and I have no doubt in my mind that they were simply quibbling—and if they are concerned about parliamentary rights and privileges, the bringing of broadcast facilities to the House will heighten, not diminish, them.

There would be no excuse for the prime minister of the day to speak to the people by going outside this chamber. The technical facilities would be here. He would be able to get to his feet and make the government's case, and the leader of the official opposition of the time, and the leaders of other opposition parties, would then have the opportunity to respond in this democratic forum. The sense of real participation would be heightened because some 20 million viewers in the country would be able to see a democratic debate taking place in a way which has never been known in our history.

In conclusion, we support this motion. We will have nothing to do with the Tory hypocrisy. We regret the measure was brought in at this time instead of serious economic measures, but let us get on with the debate, let us pass the resolution and go on to more basic, important economic questions.

• (1630)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, instead of advocating economic measures, the government is presenting this motion about the broadcasting of our proceedings as a high priority. The motion is as follows:

That this House approves the radio and television broadcasting of its proceedings and of the proceedings of its committees on the basis of principles similar to those that govern the publication of the printed official reports of debates:

Consequently, Mr. Speaker, it is without knowing neither the technical aspects nor the way our proceedings will be broadcast that we should accept such a measure in principle so that the Canadian public knows what is happening and what approach Parliament is taking to the various problems facing our fellow citizens.

Of course, our party is favourable, in principle, to an extensive broadcasting of the proceedings of the House of Commons. We are not worried at all by such a measure. On the contrary, the more Canadians realize the inefficiency of Parliament the more will they know that we spend days and days debating secondary matters whereas major problems such as those relating to the dairy policy, the review of the banking system or the unemployment rate are not discussed in the House of Commons but simply awarded. For example, the workers of the textile industry see that they are systematically losing their jobs, in Sherbrooke, in Quebec City, in Louiseville and in Drummondville—

An hon. Member: Because of imports . . .

Mr. Fortin: —because this government protects and encourages imports. Consequently, Mr. Speaker, the more Canadians will realize these facts, the better for democracy in our country. In the interest of our country, it is urgent that Canadians realize how we are losing our time in the House. I regret to say so but it is true.

Mr. Speaker, milk producers in Quebec are now systematically stopping their operations. They are penalized because they have worked. And instead of solving this problem the government goes on letting dairy products and secondary dairy products enter our country and gives high priority to measures concerning the metric system and the broadcasting of the proceedings of the House. Mr. Speaker, to my mind this is sheer inconsistency.

Moreover, at a time when our country has no industrial strategy not only to alleviate unemployment but also to protect existing jobs everywhere in the country, we are asked to discuss, on the first day of 1977 after the winter recess, a subject that we have been discussing since 1967. We talked about it again in 1969. We talked about it agin in 1970 it is still dragging on. So, it is not that urgent.

Mr. Speaker, I am simply saying that it is a shame and that we are not prepared to write a blank cheque the way the government is asking us, that is accepting in a way the principle of broadcasting the debates of the House of Commons since we do not know the practical rules, nor do we know the financial implications of such a proposal, nor do we know the procedural adjustments this would bring in the House. That is why, Mr. Speaker, on behalf of my party I want to assure the other members of this House of the cooperation of our party when it comes to implementing the broadcasting of the debates.

We want to give the following warnings forthwith: first, we will have to change since the government wants to discuss that topic, since the government does not consider it important to review unemployment, the dairy policy or textile imports and the 50,000 unemployed in Quebec who are not entitled to benefits because the minister is mixed up. Mr. Speaker, let us have a small 10 minute discussion on that. For example when ministers come in and decide to make a statement in the House and do not have the courtesy to give members of the opposition a copy of the statement, they voluntarily put us in an impossible situation in the sense that they are asking us to reply on a technical statement without any preparation and without a copy of the statement, and that puts every one of my colleagues in a position that is absolutely ridiculous and unacceptable.

Before we accept to have all or part of the debates broadcast we should have a written guarantee on co-operation or the obligation to cooperate with respect to the statements made in this House, and in both official languages, Mr. Speaker. Sometimes ministers table statements in one language but some of us do not read English or do not understand it or would feel more at ease in their mother tongue. They brag about wanting to make this country bilingual but fail to act accordingly even in the House of Commons. I say this is a right that members of the opposition have. If television gets into this House, as we want it to in principle, and if ministers take advantage of it to try to prove to the public the incompetence of some members of the opposition by making technical statements at the last minute without giving us a copy of their remarks, the aim which is to better inform public through broadcasting becomes a mere political game in which they will try to distort the business of the House. Before we agree to allow TV cameras in this House, if we want the public to be well informed we shall also have to revise the oral question period. If the government wants to allow the broadcasting of the daily oral question period we shall seek assurance that the present distribution of questions, particularly supplementary questions, will be changed and adhered to.

Broadcasting House Proceedings

Today, Mr. Speaker, more than five supplementary questions have been put not by the same person on the official opposition side but by several other members. The matter of a better distribution has been discussed for a long time in this House, in several committees and with the Chair. We have always been favourable to a certain number of supplementaries by the same person who put the original question but not by other members. And if the right which is given to the Progressive Conservative party to ask supplementary questions when they did not put the original question, if the Chair gives this right to the Progressive Conservative party it should also be given to the Social Credit party of Canada because otherwise, Mr. Speaker, it will become a mere game. Again the situation is distorted as we are not treated equally and in such conditions we cannot accept to play the broadcasting game.

● (1640)

I find it difficult to understand, Mr. Speaker, how we could approve in principle the broadcasting of our debates. It would be a good thing in principle since it would enable the Canadian people to understand how our democracy works, to see the members of parliament at work, to see for themselves the action of the government in relation with specific problems. Because of television, the government will surely have to act more wisely and more quickly concerning the current problems facing our fellow citizens. Therefore, in principle, this would be a good thing.

Mr. Speaker, this can become reality only inasmuch as members of Parliament and the political parties represented in the House are truly treated on a equitable basis. The oral question period should be reviewed and better distributed. It is illogical to accept presenting such an image to the public when we are not treated equally in the House. This is a fundamental requirement!

We could also talk about the length of debates, Mr. Speaker. What exactly would be broadcast? Only the question period? Will the private members' hour, from 5 to 6, also be broadcast? This is an important period since this is when my colleagues of the Social Credit Party of Canada can often submit notices of motions or bills. This segment of the debates where we could show private members' business to the Canadian public, this period which is botched most of the time, shall we broadcast it? This is another of the things that we must know before giving our final agreement.

Mr. Speaker, in other words, the government is simply asking us in this resolution no. 8 to accept generally, without discussing technical questions like those that I have just mentioned, the need to broadcast our debates. Then the government suggests that we form a special committee to see to the implementation of this resolution.

Mr. Speaker, perhaps it would be wiser to select a committee to weigh and attempt to answer the questions I have just raised, before going through with the motion. As it were, the government House leader is suggesting we should put the cart before the horse. If we followed his suggestion, we would grant approval in principle without knowing where we are going. I

think the government will understand our reluctance to give the motion unreserved approval without certain safeguards. It is important for Liberals, Conservatives or anyone else for that matter to realize that everything is possible in politics, and that broadcasting might eventually serve to rebuild the Liberals' image throughout the country.

Mr. Speaker, I believe this verges on politics. But before I conclude, there is something I want to put on record once more. I circulated across the country during the holidays, partly before, partly after. I went through the province, I saw people totally helpless, and industries shut down because there is no industrial strategy. My colleagues from Rimouski, from Roberval, from Bellechasse had the same experience. This applies throughout northwest Quebec. The feeling is that nobody is listening anymore.

Projecting Parliament's image will not solve unemployment. Nor will it prevent the flow of imports that are submerging our Canadian markets and constantly kill jobs here. Broadcasting will not give Canadians more amenities, nor will it change the Anti-inflation Act. What may I ask, is this motion No. 8 on broadcasting doing in the picture? It is a totally ridiculous priority. The government should realize that in addition to losing touch, they are now at a loss to understand Canadian problems and priorities.

I suggest to the government leader that we will not approve this motion so long as we have no absolute guarantee from the government that they will put forward practical policies for fighting unemployment, that they will develop an industrial strategy to protect existing jobs and control imports, so long in other words as we have no assurance that this government has a plan to manage the country and get it out of the current chaos.

Even if as a general principle this is acceptable, the government must understand that as far as members of the Social Credit Party are concerned, radio and television broadcasting of the proceedings of this chamber do not constitute a priority, but the economy does. We have been elected to represent the people, not to entertain them. It is indeed important to broadcast the parliamentary proceedings and it is important for Canadians to know how parliamentary work is done and to see what is taking place here, day after day, but as my colleague from Rimouski (Mr. Allard) said, it is even more important to give bread to Canadians and to the workers.

Mr. Speaker, for all these reasons I must let the government leader know that we are deeply disappointed with the priorities he set before us. I have in my hand this ridiculous list which he sent to the House leader of our party in which he complains about the inefficiency of the House of Commons. He recognizes it while putting the broadcasting of inefficient things as a top priority. This shows Canada that we badly need some leadership in our country, as there is a total lack of it now.

The government complains that we spend too much time discussing, but let us have a look at the list it sent us. Bill C-3, on the Canada Deposit Insurance Act; to date we have spent exactly 30 minutes debating it. Now, is that abuse? Bill C-8, on satisfied securities, we have debated exactly 13 minutes.

[Mr. Fortin.]

Bill C-12, on income tax agreements: we have discussed exactly 12 minutes. Bill C-5, on currency and exchange matters, we have studied for one hour and 40 minutes. And I could go on like this, Mr. Speaker, which shows that the government, while knowing the facts, tries to distort them. We too have those facts; we can prove to this House that its business is slowed down, not by the opposition but rather by a government that has no solution to put forward or to oppose to the various problems; and that, coming up against very serious ones indeed, it does not know how to approach them, it has no solution to suggest and that, consequently, it tries to accuse the House of Commons of inefficiency in an effort to cover up its own lack of leadership.

That is the fundamental reason why the government, on the very first sitting in 1977, without wanting to speak of the unemployment and other problems, imposes that ridiculous policy on us, Mr. Speaker, a policy that will change absolutely nothing, economically, for any Canadian, anywhere in Canada, quite content with entertaining the people to evade the problems.

Mr. Speaker, in closing, I should like to give the government one assurance and repeat that, in principle, we can only be in favour of televising the debates in this House thus enabling Canadians to be better informed; but before agreeing to passing this resolution in the House of Commons, Mr. Speaker, we will demand formal guarantees on some technical aspects, from the start. The leader of the government, who initiates the business of this House, will have to guarantee the changes I have just asked, concerning the oral question period, and the statements of the minister. We also have a number of other proposals to put forward in this respect. Otherwise, the government leader is venturing out into some sort of tower of Babel in which televising our debates will only perpetuate the downgrading of the role of public men in Parliament, since the rules of the game will not be fair and because all hon. members will not be put on an equal footing.

Mr. Speaker, in short we want the members for Rimouski, Roberval, Bellechasse, Shefford, Abitibi or Villeneuve (Messrs. Allard, Gauthier, Lambert, Rondeau, Laprise, Caouette) to be treated on an equal footing during the proceedings in this House, otherwise the government leader will realize that our co-operation is not quite a foregone conclusion.

[*English*]

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, I very much appreciate the opportunity of speaking today on a subject that has been dear to my heart for some years, years long before I entered this House of Commons, years when I think I had an opportunity to learn about the power and the importance of modern electronics, radio and television.

In speeches I gave to constituents over the Christmas break, and in discussions I have had with colleagues for some five or six months, I have tried to argue that if Canada and Canada's parliament face crises today in the survival of the nation, if we face very real dilemmas such as the problem of inflation and the concurrent problem of increasing unemployment, that

finally the real crisis of today in Canada is a communications crisis. The crisis is that Canadians in one part of our mosaic have no idea what Canadians in the other parts are all about.

The phrase "national unity" is not simply a phony or political word or phrase of propaganda. It is the foundation-stone upon which this country was built more than 100 years ago. It is the foundation upon which the future of this country now must be rebuilt. It is a question of a breakdown in communication so that regional disparities—the needs, the differences, languages, the background of various parts of Canada—are not understood by other parts of Canada. It is the communication breakdown that leads us to the crisis we face today.

From the beginning, the focal point of all these problems was discussed here in parliament. This is the place where it was funnelled down to. The narrow focal point of all our problems and how to correct them has been the Canadian House of Commons. It is here where we discuss and learn about problems faced by our colleagues from other parts of the country. It is here where I learn about prairie wheat, the problems of groundfish in the maritimes, the ambitions and desires of peoples in the Yukon, and the difficulties in northern Ontario because of pollution of the waterways. Indeed, it is here that I learn that people in Vancouver, Montreal, Halifax, Regina and Winnipeg may suffer problems even as I know my own people suffer in Toronto.

This is the focus where we, as members of parliament, as elected representatives, begin to understand the other parts of our country. We, as MPs, have to begin to appreciate the compromise. We must begin to come together and work out a pattern that is reasonable for all, if in each case specific to some. It is for that reason this debate does indeed have great importance. Television and radio in the House of Commons is a crucial first step in what I hope will become over a period of time a massive attack on the failure to communicate with the Canadian public and, thus, their inability to appreciate the great country that we have.

The Canadian public, by and large, does not know the existing laws of Canada. They do not begin to even understand what laws are before this parliament for change. They do not know what proposals are in the new laws that they might question. They are not well aware of what the opposition charges are flaws in the proposed changes which the government has put forward. Today, Mr. Speaker, the government of Canada, in putting forward its program, has the frustration of the public not appreciating the quality or goodness in that program and, in turn, the same public not being able to judge if there are, indeed, serious errors.

● (1650)

One of the great fears, I believe, of many members of parliament in bringing television into the House of Commons is the public's perception of politicians, by some at least, of us as a lazy lot, of us as a group of people who don't care, of us as a mindless lot on the government side or, indeed, within the opposition parties, of us as individuals without the views of individuals, without the strength to represent the particular area we have been elected to represent.

Mr. Speaker, we are an imperfect lot: I will certainly admit that, as I think most hon. members would. But surely there is nothing more essential today to end that kind of cynicism, that kind of misunderstanding, than to let the Canadian public see what really happens, to see what really goes on and to learn how diverse this country really is, how multi-faceted it is and how difficult it is to govern and, indeed, how difficult it is to be parliamentarians and try to resolve problems within parliament because of its diversity.

In speaking to this issue at the Commonwealth Parliamentary Association Conference in Quebec City in the summer of 1973, and again in Toronto in the summer of 1974, I gave one of my favourite examples of how the system breaks down. It is only one example, but it is one of which I am particularly aware because of my background as a journalist within the broadcasting media. I said that every day in question period history is at least twice rewritten before it reaches the Canadian public.

The print media and the broadcast media sit in the gallery and fervently write and record the questions put by members of the opposition and the charges they make. They also fervently record what government representatives reply. With that, they all fervently run down to the scrum, where they fervently re-do it after cabinet ministers have checked with their aides and changed their facts and straightened out the mess, and certain members in the opposition have picked up the idea or attack of the other opposition party and straightened it out or improved upon it. By the time they finish up with the interviews in the scrum, the print media, with all the notes they have already made, then go back to the people they just interviewed or overheard and rewrite it again as they go over the situation once more.

Mr. Speaker, nothing could be more fundamental than allowing the Canadian public to see exactly what happens, to see the talents and abilities of the opposition, the talents and abilities of the government, or the lack thereof on both sides. Let the public judge at the first instant, without second-guessing or second-judging or rewriting what happened in the parliament of Canada today. That will not for one moment eliminate the right of the print media or the broadcast media to go down to seek further interviews, to seek clarification or to challenge what has been said. But the fact is that the public will at last begin to understand what this country is and will begin to understand the variety of interests and demands, depending on what part of the country is being represented.

We cannot all be here all of the time. I am speaking here about the fear that constituents will say, for instance, that the hon. member for York West is not in his seat today. The fact is that the essence of successful communication is to have people understand what is true, what is real, not misunderstand and therefore not really know what is happening.

I do not feel worried. As a parliamentary secretary for at least another five months—I have held that position for a year and a half already—I am unable to ask a question in the

House of Commons. My constituents will not see me bobbing up to put the government on its toes. Because of my workload as parliamentary secretary, and because my constituency is very large, I often miss debates in this House in which I would otherwise like to participate. I am not worried about how I will appear. I can do my homework, and so can all other members of this House. I will find my moments to rise in debate, though as a government backbencher I probably will not hit the television screen very often, nor the radio stations.

The fact remains, however, that Canadians may begin to understand what this country is all about. They may begin, by hearing voices from different parts of the country, by listening to different ministers posed with different dilemmas—because what is good for one part of the country may not be good for another—to understand just how this nation works and how parliament must be understanding and make compromises if this country is to survive.

Certainly, when the government House leader spoke of the first step as placing the debates of parliament over television and radio under the Speaker so that a totally objective recording can be made and, in turn, the media, without influence, editing and deciding what they want to use, and then, as a second step, having some means of making available broadly to Canadians the ongoing events of the House of Commons on a daily basis, I very much support that thrust.

I would also like to put in a plug to the government House leader, through you, Mr. Speaker, that we consider at the earliest possible responsible date the televising and broadcasting of committees of the House of Commons, or at least, at the first stage, making available the visual and audio transcripts of those meetings. I cannot think of a better way of showing the Canadian public how members of all parties and on all sides thoughtfully try to improve laws and fight for the rights of their constituents. This is an ongoing procedure and it would show the expertise members bring with them from their constituents or their own professional backgrounds. I hope the covering of committees will not be too far off if, indeed, this motion is successful.

I heard in the speech of the House leader for the official opposition some considerable doubt and fear of this whole issue. I must say that for one who is as active as he is in making speeches in the House of Commons and putting forth his faith in the Canadian system, I was very disappointed to hear him take the thrust he did today. It seems to me to be as mad, in the sense of insane, to oppose the televising and broadcasting of the proceedings of the House of Commons as it would have been for the civilizations of thousands of years ago to have opposed the wheel or, indeed, to oppose the learning of language so that they could communicate with one another.

Some hon. Members: Hear, hear!

Mr. Fleming: The civilization we live in today, and the pressures of our society, make it fundamental that we try to ease the pressures, burdens and confusion of the public here in Canada by bringing to them directly the issues of our country from its various parts and also the attitude of the government and the opposition. I would like to claim, and I believe it to be true, that it is not being done under the present system.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Churchill (Mr. Smith)—Indian Affairs—Relocation of departmental offices in Hull; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Search and Rescue; the hon. member for York-Simcoe (Mr. Stevens)—Finance.

PRIVATE MEMBERS' MOTIONS

[*English*]

HEALTH AND WELFARE

SUGGESTED ESTABLISHMENT OF UNIVERSAL COST OF BLINDNESS ALLOWANCE

Mr. Paproski: On a point of order, Mr. Speaker, I believe there is a disposition to allow motions Nos. 4 and 7 to stand so that we could go on with motion No.8 in the name of the hon. member for Selkirk (Mr. Whiteway).

The Acting Speaker (Mr. Turner): Is that agreed?

Some hon. Members: Agreed.

Mr. Dean Whiteway (Selkirk) moved:

That in the opinion of this House the government should consider the advisability of establishing a universal cost of blindness allowance for the legally blind of not less than $200 per month and to be indexed to the consumer price index annually.

He said: Mr. Speaker, it is with a great deal of honour that I introduce this motion, a motion which almost on the surface would suggest that it needs no debate and that it would certainly meet with the acceptance of the government even if over the years it might have been reluctant even to consider a blind allowance or a negative income tax or a minimum subsistence level for those who are legally blind in Canada.

● (1700)

To set the stage for the background to this problem I want to read three preliminary clauses which I did not include in my original motion. I put forward the following as a preamble:

Whereas in general blind persons do not have similar opportunities to compete with the sighted in sustaining their own livelihood, and

Whereas the handicap resulting from blindness generally results in lower incomes and restricted opportunities for employment, and

Whereas there are additional living costs directly resulting from blindness—

Then my motion is as follows:

In the opinion of this House, the government should consider the advisability of establishing a universal cost of blindness allowance for the legally blind of not less than $200 per month and to be indexed to the consumer price index annually.

It so happens, Mr. Speaker, that last August there was presented to the Minister of National Health and Welfare (Mr. Lalonde) the report of a study entitled "Vision Canada". This was a study jointly undertaken by the National Council of the CNIB and the Department of National Health and Welfare, and I want to quote from it because I believe that the subject of blindness is not one that ought to be debated in this chamber in an emotional way. The arguments and positions put forth on behalf of the legally blind in Canada themselves have merit on which to stand. This study was conducted by a Professor Cyril Greenland and, as I have mentioned, was presented to the minister some seven months ago. At page 3 the following appears:

The extent of unmet needs, revealed by this study, presents a great challenge to all Canadians. It is obvious that no single agency, however well intentioned and resourceful, will be able to overcome the years of neglect, prejudice and intolerance which is the common experience of handicapped people in our society. The commitment to remedy these injustices must be manifested by the federal and provincial governments in the form of rational social policies and a greater investment of public funds in the human services.

Long before I was even of voting age, Mr. Speaker, colleagues of mine on this side of the House were asking the government to bring in legislation to provide for an allowance for the blind. For example, my colleague for Cumberland-Colchester North (Mr. Coates), and my colleague for Humber-St. George's-St. Barbe (Mr. Marshall), have on many occasions in this chamber asked the government to bring forward legislation to establish a minimum income for those legally blind. As everyone knows, blindness is a handicap. In 1975 there were just a few less than 30,000 legally blind people in Canada. This number will increase by the year 2000 to some 50,000.

The report "Vision Canada" was national in scope. It was preceded by months of research and study and countless hours of conversation with legally blind people in order that the recommendations that Professor Greenland put in his report were able to reflect the basic needs and desires of the legally blind. If I may use a biblical expression, the stones cry out for justice. The stones in this case, the legally blind, are crying out for a basic income. Let me refer to page 117 of this report, which has to do with a basic income for the blind:

The prime need of all blind Canadians is a basic or guaranteed income of a sufficient amount to provide life's necessities at a level which will permit the recipient to live in dignity.

I want to point out here that in the province of Manitoba there are no allowances for the legally blind. If they cannot earn their own way by employment, then they have no recourse but to go on welfare. Why is this, Mr. Speaker? Is it because they do not want to work or they have no skills? No, it is because they have a handicap that prevents them from competing in the marketplace. All these blind people are asking for, and what I am asking for on their behalf, is that the government take action now to establish a basic income to compensate the legally blind for their handicap. The quotation on page 117 continues:

For the older and more senior blind citizens, a reasonable basic income would provide that sense of security so requisite to contentment and peace of mind. For the younger and youthful blind citizens the reasonable basic income would provide the financial security which would permit them to move from occupation to occupation in search of one which was satisfying both mentally and financially.

It would be an understatement if I were to say that blindness costs money. There is a cost to blindness. I could say much about the cost of blindness, but I shall point to only two specific areas of cost to blind persons which are not common to the sighted. Again I want to quote from this impartial study conducted by Professor Cryil Greenland at page 113, under the heading "Transportation":

In our opinion and because transportation is the major, or at least one of the greatest problems of blind people, we feel that government financial assistance should be provided to help combat this frustration. In this day and age when traffic is a major concern even for sighted people, blind people are penalized in that they cannot safely travel alone.

For blind people to have the kind of mobility that you and I, Mr. Speaker, take for granted every day costs them additional money. The basic blindness allowance for which I am asking would compensate them for that. It would be a basic income from which blind people could pay these additional costs.

A second additional cost for blind people which is not common to sighted people is in the area of shopping. My ancestors were not Scottish, but I can spot a deal a mile away, Mr. Speaker. When I am shopping in shopping centres I watch for those bright red or yellow signs indicating that certain articles are on sale. It is obvious that those who cannot see also cannot see the bargains. According to page 13 of the report, it costs the legally blind from 10 to 15 per cent more per year to live because they cannot take advantage of the kind of shopping deals that we sighted Canadians can take advantage of.

I see my time is slipping by quickly, Mr. Speaker, and I think others of my colleagues want to speak, but let me simply repeat that blindness is a handicap and that a basic pension would simply compensate them for that pension. If I may go back to page 13 of the report "Vision Canada", a comprehensive and excellent report that I commend to every member of this chamber who ought to take the time to read it, the following statement is made:

Provincial income security programs, cost-shared with the federal government, were designed to reduce the worst effects of poverty. However, since no special allowance is made for the extra cost of blindness, blind recipients are in fact denied "a compassionate and equitable guaranteed income".

● (1710)

I took the time to calculate the cost to the Canadian taxpayer through this government or the treasury of the country of this allowance for the blind of a minimum $200 a month. If you multiply $200 a month by 12 months of the

year, times the number of legally blind, it would cost the taxpayers in the neighbourhood of $72 million per year.

It has often been said that you can measure the compassion and the justice of a great civilization or nation by the way it treats its handicapped and socially deprived. It seems to me this is a small price to pay. As one Canadian taxpayer, I not only encourage the government to go forward with this program but I am prepared to carry a greater tax burden through my income tax and that of my wife, who has a full-time job, in order to establish this kind of financial compensation to the handicapped blind. Surely the government can afford this amount of money out of the $42 billion it spends per year. This is a small amount in comparison to the total.

To again use statistics from this article in "Vision Canada", less than 25 per cent of the legally blind in this country work. This means that the bulk, 75 per cent, are living for the most part from the public purse in terms of welfare. This is indeed degrading. This is not the result of lack of will to work, or industry on their part; it is because they cannot compete for many jobs because of their handicap.

I stand in this chamber today speaking on behalf of those who do not have sight. As I am sure do most members of this chamber, I place a great premium and value on my sight. I represent the 30,000 Canadians who are legally blind. I do not beg for charity; I reason for justice.

Mr. C. Douglas (Bruce-Grey): Mr. Speaker, I wish to congratulate the hon. member for Selkirk (Mr. Whiteway) on his presentation. Like that hon. member, and I am sure every other member of this House, I, too, place a great deal of value and store on my sight. I thank the hon. member for bringing this matter before us for consideration at this time. The hon. member's suggestion is that the government should consider the advisability of establishing a universal cost of blindness allowance for the legally blind of not less than $200 a month which would, of course, be indexed to the consumer price index annually. This indexing would, over the years, bring the cost much higher than when it started.

I should like to note, if I may, certainly not to detract from the hon. member's suggestion or because I do not have a great deal of sympathy for what he proposes, a number of arguments which I feel should be put forth in considering this most commendable proposition. These are arguments that would certainly come forward during the course of a study of this kind and arguments that a government, no matter what government at the time, would have to take into serious consideration. Of course, $200 per month indexed to the consumer price index annually, regardless of income or need, has also been stipulated. The government does not at this time foresee such an allowance being paid for this or any other segment of the Canadian population in the near future.

This is not to say that the government, myself and other members of this House, are not sympathetic to the plight of blind people. Hon. members can be assured that the government recognizes the severity of the handicap imposed by blindness and that it also recognizes that the problem is particularly serious when the disability is present from early childhood and has prevented persons from obtaining an education which would permit them to compete in today's labour market, a highly competitive labour market at the best of times. In this respect the blind certainly are among a large number of people who are at a similar disadvantage because of a variety of physical and social handicaps.

I think it is a little unfair to propose a $200 monthly allotment for the blind and not take into consideration those persons who, through no fault of their own, have been handicapped in other ways. I am thinking of the paraplegics, multiple amputees or the person who has suffered, through no fault of his own, mental retardation from the time of birth. These people have to be taken into consideration, as well, by anyone who considers the extension of a universal program to all registered blind persons in Canada. Limiting the program to those people would not be fair without extending the same benefits to the other disabled segments of our society.

Secondly, while the hon. member for Selkirk said this would be costly, we must admit that it would be very costly because, as has been suggested, there are more than 30,000 blind people in this country. I think the hon. member would find that this number could be extended to 50,000, and at $200 a month that would come to $100 million per year as an extra expense to the government purse. In 1975 there were 30,000 blind persons in Canada registered with the Canadian National Institute for the Blind. It is estimated by the CNIB that there may be in excess of 50,000 who could be certified under the act. As I suggested, the cost of a universal allowance of $200 a month would amount to about $100 million annually, and indexing would increase that amount considerably in the future. As the hon. member has said, this is a large amount.

In examining this problem, the government must be concerned primarily with measures which would benefit needy persons as a whole rather than certain categories within that group. Consistent with this philosophy, the Canada Assistance Plan was introduced in 1966, affording the provinces greater flexibility in providing for assistance to all persons, not only to the blind but to those with other handicaps. Therefore, most Canadian provinces have discontinued their participation in both the disabled persons' allowance and the blind persons' allowance programs in favour of the broader approach afforded under the Canada Assistance Plan.

Until a new system is implemented, the Canada Assistance Plan will continue to operate. Under this plan persons who are in need can apply for assistance through the general assistance program in each province, and if they are blind they can receive additional assistance because of that impairment. Under the plan the federal government shares in the cost of aid granted to the people in need. However, it is the provincial governments which administer these programs, and as such the criteria for eligibility are set at various levels. Let me point out that the general assistance plan has been in effect across Canada in all provinces. As a matter of fact, a single, blind person in Newfoundland would receive $250 a month, while a couple would receive $398. In Prince Edward Island, a single

person receives $182 and a couple receive $243. In Nova Scotia, it is $226 for a single person and $356 for a couple.

● (1720)

Mr. Marshall: What was the figure for a single person in Newfoundland?

Mr. Douglas (Bruce-Grey): It is $250, under a means test. In New Brunswick, a single person receives $316 and a couple receive $456. In Quebec, the figure is $217 for a single person and $347 for a couple. In Ontario it is $250 for a single person and $458 for a couple. In Saskatchewan it is $235 and $340. In Alberta it is $241 and $266, and in British Columbia it is $215 and $430. The problem that could arise is that if the hon. member's suggestion were accepted, it could be to the detriment of those who do not qualify under the means test but qualify only under the proposal put forward by the hon. member. On examining this problem, the government is concerned primarily with measures which would benefit all the needy, not just those afflicted with blindness, which is, of course, a very serious affliction indeed.

There are two other programs which I should like to mention which serve to improve conditions for the blind. Those are the vocational rehabilitation of disabled persons program and the national welfare grants. The vocational rehabilitation program has been in operation since 1952, first under the authority of an order in council, and since 1966 under the authority of the Vocational Rehabilitation of Disabled Persons Act. The legislation was originally administered by the Department of Labour and subsequently by the Department of Manpower and Immigration. However, since 1953 responsibility for administering the program was transferred to the Department of National Health and Welfare.

Under agreements concluded with all the provinces and territories except Quebec the federal government contributes 50 per cent of the costs incurred by the province in providing a comprehensive program for the vocational rehabilitation of physically and mentally disabled persons. This program includes such services as medical, social and vocational assessment, counselling, restoration services, provision of prosthetics, training, maintenance allowances and the provision of tools, books and other equipment. These services are provided directly by the provincial government or purchased from voluntary agencies.

Shareable costs also include the salary and necessary travelling costs of the staff whose duties are directly related to the vocational rehabilitation program and other administrative expenses necessary for the co-ordination of delivery of services to the disabled. It provides 50 per cent of the costs incurred in the vocational rehabilitation of disabled persons. The federal government also provides consultation and advisory services to the provinces, develops standards and undertakes research. During the fiscal year 1975-76, over 50,000 handicapped persons received services across Canada and these were shared under the Vocational Rehabilitation of Disabled Persons Act. The federal contribution that year was $16.5 million.

It can readily be seen that the federal government is actively engaged in assisting not only the blind but any disabled persons who need service, and through this effort creates equality of opportunity for the handicapped so that they can move from a condition of dependence to a state of greater self-reliance. Basically, this is what we are talking about, and certainly what the hon. member for Selkirk is talking about; namely, the ability of a disabled person—in this case, a blind person—to become self-reliant.

For a child who has grown up with the affection, love and care of parents, which is usually heaped upon these disabled youngsters, it must be a traumatic experience to reach an age at which parents can no longer be with him or her because of disability, health reasons or death. It must be traumatic for such a young man or woman to be thrust into society and have to cope with the day-to-day occurrences from which they had previously been shielded by their parents.

We must consider also providing the handicapped, whether they are blind, paraplegics or mentally incapacitated, with the type of services of which they themselves can take advantage. In urban transit we must provide better accessibility for those in wheelchairs to get to buses and subways so as to better integrate them into the travelling community. We must also provide assistance for the blind to enable them to make better use of public transport and communications systems. I believe that this is where money should be spent, rather than handing money to these people. We should update the services which the federal, provincial and municipal governments provide for the handicapped, not just for the blind but for all the handicapped, through the wide spectrum of these cases which will be put in the public domain.

We should certainly consider welfare grants when we look at the over-all costs in the proposal put forward by the hon. member for Selkirk. The welfare grants directorate provides annual sustaining grants to the Canadian National Institute for the Blind and l'Association canadienne-française des aveugles. Sustaining grants are provided to enable these organizations to continue to focus on planning and co-ordination of services to blind Canadians. In 1976-77 the sustaining grant provided to CNIB was $83,000, while that to l'Association canadienne-française des aveugles was $13,000.

In addition, project funding may be provided for project activities such as specific planning projects, formulation of change in response to a current crisis or a current social problem, studies and consultations, especially of a goal-oriented nature, and inter- and intra-agency co-ordination. In 1976-77 project grants have totalled approximately $30,000.

On April 18, 1973, the Minister of National Health and Welfare presented a working paper on social security in Canada as the government of Canada's contribution to the launching of the joint federal-provincial review of Canada's social security system. The working paper on social security admits—and I think I and anyone else would agree—that in Canada today there are many deficiencies in our social security system. The working paper has identified seven of them. Needy and blind persons in Canada suffer particularly from

lack of co-ordination of the elements of Canada's income security system. It is well known that blind persons may receive assistance through the provinces' general assistance program or the blind persons' allowance program. Other blind persons may receive assistance under the Canada Pension Plan or the workmen's compensation legislation. What is even more difficult in the case of blind persons in need is the number of authorities with which they have to deal federally, provincially, municipally and locally.

● (1730)

I think this is an avenue of approach for federal-provincial co-operation to allow these people better access to these authorities and to give them information as to how best to put their case forward, and to put it forward to the authorities who are best able to get them the most assistance in the shortest possible time. An hon. member who has his sight realizes how confusing it is when he himself goes to various departments for assistance. That is a matter which certainly deserves a great deal of study.

The citizen is expected to co-ordinate all of these bureaucracies if he is to resolve the financial problems with which he is confronted, a degree of co-ordination which even the governments themselves—and we had better admit it—have been unable to achieve. In addition, on top of the indignity of dealing with so many agencies, there is the additional indignity of the stigma which has come to be associated with social assistance.

During the recently concluded social security review which has taken place over the last few years the needs of the blind in the context of the review have been actively considered. Last February the federal government presented income support and supplementation proposals to the provinces which would, in the long run, ensure higher benefits and improve the administration of the social security system in a number of significant ways. At the June meeting of the ministers the majority of the provinces agreed that a guaranteed income should be made available to persons whose incomes are insufficient because they are unable or not expected to work, and that there should be a system for supplementing the incomes of those who are able to work but whose incomes are not adequate for their needs. Under this proposal provincial governments would deliver the benefits to the people who qualify for them, and the federal government would share in the cost at a rate of two-thirds of the cost of the supplementation program and 50 per cent of the cost of the support program. This program, when implemented, would give substantial help in meeting the financial problems of Canadians in disadvantageous situations, including, of course, blind persons.

Once again I want to commend the hon. member for Selkirk for his presentation. It is an honourable one which I think deserves serious consideration. However, I would like to ask that when considering this we consider not only the blind but all those who have any impediment whatsoever, whether it be through blindness—

[Mr. Douglas (Bruce-Grey).]

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

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, first I want to compliment the hon. member for Selkirk (Mr. Whiteway) on presenting to this House a resolution which merits the support of every hon. member. It merits the support of every hon. member because it zeroes in on a very unique and special type of disability from which, fortunately, not a great many Canadians suffer. However, their number is significant enough that as private members of this House we should give special consideration to their problem.

The hon. member for Selkirk did an excellent job of presenting a case which I believe merits the special consideration of all hon. members because of the uniqueness of the disability. It is difficult for us who sit here to appreciate fully the darkness of the world which surrounds those who are cursed with this terrible tragedy in life. Everything about our world is associated with sight, and yet these people must live in darkness and bravely go their way trying, in their unique situation, to live with their disability.

One thing which bothers me a little bit about these private members' debates is that, almost without exception, the government seems to feel it has to ask one of its representatives to stand in this House and outline the position of the government and what it is doing in whatever field the resolution happens to fall. It was nice to hear the hon. member for Bruce-Grey (Mr. Douglas) indicate that he has some appreciation for and understanding of the reasons for the hon. member for Selkirk's proposing the resolution in the first place. He then went on to itemize the various things the government is doing at this time, in effect indicating to the hon. member for Selkirk that there is really little hope or compassion in the minds of the members of the government or any intention of doing anything about what he is proposing in his resolution. I believe that if we have compassion in our souls for our fellow men and if we recognize the very special disability blind people have, we should speak from our hearts rather than use the political dogma of the party in power.

The government should say to these people who are blind that it recognizes the very special disability they face in trying to live in this world, and we, members of parliament, collectively should urge that the government try to recognize this special disability. While we cannot overcome this disability, we should at least provide an extra little bit of material assistance which might help to provide opportunities which, as a study pointed out, these people cannot find in the world today in the present circumstances and under the present welfare system which has been developed by the government. Sure, there are other kinds of disabilities, and all disabilities should be recognized to a greater extent than they are now. As far as I am concerned, the amount of disability assistance itemized by the hon. member for Bruce-Grey indicate a degree of inequality for those people who have disabilities because of the despicable needs and means tests which are imposed upon them and because of the investigators who arrive at their homes to find out whether they are getting this much, that much, or too

much, and are at all times trying to cut down the amount of money which goes to them to meet their needs and requirements.

On December 29 on behalf of the registered blind people of my constituency I received from Mr. William G. Hope a petition with hundreds of signatures on it, urging the governments in Ottawa and in Halifax to take certain special actions because of this special disability and the resultant disabilities which go with being blind. I immediately forwarded the recommendations in this particular petition to the Minister of National Health and Welfare (Mr. Lalonde) in Ottawa and to the minister of social services in Halifax. The recommendations were these:

Remove the present inequitable means test used to categorize blind persons in allotting allowances or raise the present ceiling to $8,000 per year for married couples.

Provide free prescription drugs to registered blind persons through the M.S.I. program.

That is a Nova Scotia program. There are hundreds and hundreds of signatures. These blind people are under the leadership of Mr. Hope, who is partially blind and whose spouse is blind. They worked together with the blind people in Cumberland county to put this petition together.

● (1740)

This motion is an indication of the fact that the hon. member for Selkirk recognizes that blind people are not getting enough attention, either from the federal or provincial governments, to enable them to overcome the very significant disabilities they face in their every-day lives. For this reason I commend him as highly as I can. There are a lot of other things he could be saying in this House that would probably be more politically advantageous to him. It is probable that in his constituency there are very few blind people, just as there are in all 264 constituencies in this country, but that did not stop him from feeling compassion for people who have a very special and unique disability, and for singling them out. While I recognize that there are many other disabled people in this country, blindness is a very special and unique kind of disability and should receive special consideration by the Government of Canada or the province in which these people live.

As the hon. member has said, what he is asking for is not that much, but it would be a guarantee. For instance Mr. Hope, who presented the petition to me, just happened to be able to secure employment. But as a result his wife lost her allowance. In other words, as soon as he was able to find employment she was penalized, even though by his finding employment she did not then discover that she could see. She did discover, however, that no further assistance was available to her to overcome her disability.

I say that this House, this parliament, if it has compassion, if it has a collective soul, will take to heart what the hon. member for Selkirk has proposed in his resolution and try in some way to show the blind people of the country that parliament does relate to the problems they face. When it is a unique problem such as blindness we should endeavour to put our stamp of compassion on a special kind of legislation that will single them out. We should show that we will endeavour to assist them in a material way to overcome some of the real and terrible problems that they face in their everyday life.

In conclusion, Mr. Speaker, I should like to congratulate the hon. member for Selkirk, and to tell him that this is what I think members of parliament should be doing more often. If they did, then the people in Canada would think that parliament was a lot more realistic about the problems that face the people of this country.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to indicate that I warmly welcome the presentation of this motion by the hon. member for Selkirk (Mr. Whiteway). I wish also to indicate that it has my support. There are one or two changes I should like to see made to it and I shall indicate what they are in a moment. The main point I want to make, however, is that what is asked for in this motion is a policy that I believe we should follow.

I listened with interest this afternoon to the first speech made by the hon. member for Bruce-Grey (Mr. Douglas) since his appointment as a deputy whip on the government side. I noticed with interest that he expressed sympathy with the motion put forward by the hon. member for Selkirk, but then he turned around and threw cold water on it or, in effect, opposed it. Why do I say that in effect he opposed it despite his expressions of sympathy? I say that because at least the hon. member for Bruce-Grey came to grips with what is the heart of the motion put forward by the hon. member for Selkirk, namely, that we should not apply to our blind persons the stigma and indignity of means tests. Those words "stigma and indignity" were words used by the hon. member for Bruce-Grey. But precisely because the assistance that blind persons can get today, whatever the amount, is under a means test, I say that is the way we are treating them.

From the late twenties when pensions for the blind were first added to the Old Age Pensions Act, until the end of 1951 at which time that legislation was replaced by the Old Age Security Act, the Blind Persons Act and the Old Age Assistance Act, there was a relationship between blind pensions and old age pensions. It so happened that in those years both were subject to a means test but at least there was a continuing relationship and, when the old age pension went up, the blind pension went up as well.

Beginning on January 1, 1952, we established a new regime under which we put old age security on a universal basis, but this was not done with pensions for the blind. In the intervening period the difference in the amount available has widened instead of the parallelism being maintained.

The hon. member for Bruce-Grey makes something out of the fact that most provinces assist the blind now under the Canada Assistance Plan rather than under the Blind Persons Act. They do that because the legislation that has been drawn up by the federal government makes it at least a little better to do it under the Canada Assistance Plan. He also makes the point that if we are going to do this for the blind we should do it for paraplegics, multiple amputees, and other disabled per-

sons. I agree, and that time may come. What bothers me in all these fields, especially when we go into the general programs that do not recognize categories, is the continuance of the idea of the means test.

The hon. member for Selkirk and the hon. member for Bruce-Grey both talked about sympathy for the blind, and the hon. member for Cumberland-Colchester North (Mr. Coates) emphasized that all of us in this House have that sympathy. But, Sir, the basic difference is that the motion before us wants a universal non-means test pension for persons who suffer from blindness, whereas the hon. member for Bruce-Grey wants us not to go that route but to provide assistance for the blind under a means test or some kind of social assistance program. I take my stand on the same side of the issue as the hon. member for Selkirk. Perhaps he will allow me to say I have been taking it since long before he was of voting age. I regret that we are not giving special consideration to the blind as I believe they deserve.

This is a private member's motion. I believe we should support such a motion and I do not want to be guilty of seeming to talk something out and therefore I shall conclude my remarks. I said that if I had been consulted by the hon. member for Selkirk before he drafted his motion I might have offered a couple of suggestions. One is that I do not think the $200 figure is high enough. Today when we have responsible bodies suggesting that a person needs $350 or $400 just to exist, or $700 for a couple, I do not think $200 a month per person is high enough. Maybe the hon. member drafted his motion a long time ago and has not brought it up to date.

The other thing I should have liked was for the escalation to be on a quarterly rather than on an annual basis. I am not arguing that there is a great deal of difference between the two formulas but we already have a situation where a number of pensions are escalated quarterly and others only annually. Those who get their escalation annually feel they are being short-changed, as they are if you do the arithmetic all the way down. I am glad to see the hon. member for Selkirk nodding his head. If we could get this motion passed and get it to committee for consideration, perhaps those two changes could be made. In any case, I take my stand again for pensions as of right without a means test for those Canadians who suffer from blindness.

● (1750)

[*Translation*]

Mr. Bernard Loiselle (Chambly): Mr. Speaker, I feel that the suggestion made by the hon. member for Selkirk (Mr. Whiteway) makes a lot of sense, but three hon. members have already taken part in the debate. The hon. member for Winnipeg North Centre (Mr. Knowles) did not share exactly the views of the hon. member for Selkirk, so that in spite of the odiousness of this action, I shall have to fight in the House against this suggestion and this for the following reasons.

Like the government I represent, I am very much concerned by the problem of the blind, by the handicap of these people, but instead of considering individual cases, this Liberal administration, which is in agreement in principle with the concept of helping the blind, cannot support a social security system which would be based on categories. It feels that the need is of greater importance than the root cause of this need, whatever the handicap may be, whether old age, mental deficiency or physical disability. It feels that any handicapped person, whatever the nature of the handicap, should receive assistance from the government.

That is why, since 1973 and together with the provincial governments, this administration has been carrying out all sorts of studies which have already resulted in a guaranteed income plan for all these handicapped persons, and following consultations since June 1976 with the province of Quebec under the Bourassa administration, the federal government will introduce, between now and June 1977, a bill to provide for the assistance of handicapped persons because they cannot support themselves, and not for any so-called compensation we may owe them. We shall give them a minimum income if they really cannot earn it themselves. But what we shall try to give them instead is the means to help themselves.

Practically all disabled persons ask us to let them help themselves. And I think it is most pernicious to think that it is enough to give them a $200 cheque as the hon. member for Selkirk said, or a $450 cheque escalated on a quarterly basis, as the hon. member for Winnipeg North Centre (Mr. Knowles) said. I suggest that the most important aspect when we are talking about physical disabilities of any kind is never to forget human dignity. That is why the government wants to introduce a social service bill which will respect the principle whereby all groups like the elderly or the disabled of any kind should have access to community services just as anybody else, and furthermore that the community should be responsible for making those services available to everyone.

I wonder why an unemployed man can take advantage of government manpower centre services while the handicapped—be it blindness, deafness or any other disability—do not have access to facilities enabling them to earn their living. The bill will be particularly aimed at extending the range or services available to the disabled and in addition its object will not only be to provide for the training of handicapped but to improve their ability to be self-sufficient. Among the items for which the provinces may demand cost sharing will be diagnostic and assessment services, uninsured health services, consultant services, pre-vocational training as well as an extensive series of services.

The federal government will bear over 50 per cent of additional transportation costs incurred by the physical handicapped to reach an adequate place of work. The federal government will pay increased grants to companies which would like to improve and set up facilities providing permanent jobs to the handicapped.

To my mind, the opposition errs in its proposals, as I said at the start, by classifying the handicapped in categories. I went to university with a handicapped student who took down his notes during classes as fast as I could myself, though I was not blind. What bothered him most, I feel, was the fact that he felt

different from the other students and that they considered him to be different from them. But, from the time when his friends, of whom I was, looked upon him as any other human being who was able to earn his keep, though with limited means, he felt accepted, useful to the society in which he moved, and which considered him no longer as a burden but rather as a human being capable of giving.

Indeed, the government I represent tries to give every possible tool to the handicapped that they might play the social role that can be theirs. I congratulate the hon. member for Selkirk who considers it worthwhile to look into the fate of the handicapped; but we must not believe that that is something the hon. members of 1974 or a new government have just discovered. The Canadian government has always concerned itself with this issue, with the support of the opposition, and we are trying in 1977 to prepare a bill that will take care of the essential, namely the human value. As long as this value is not taken into account, other members may be lead to believe that we want to generalize and, indeed, the fault with a great many laws is to establish categories. When bills are of a general order, applying to everyone, according to simple conditions, the people wherever they are can understand them better and therefore derive greater benefit from them. Any man can then fend for himself, eventually sorting things out and revalorizing himself.

The Minister of National Health and Welfare (Mr. Lalonde) has already announced this bill on social services and I believe he will be able to meet his provincial counterparts soon and set out precisely, since there is a new government in Quebec, what the programs entail and what advantages there will be for the provinces, and I am convinced that every Canadian and every Quebecer will be able to take advantage of this new legislation.

Since it is six o'clock, Mr. Speaker, may I congratulate the hon. member for Selkirk. I invite him to take part in the work of the Standing Committee on Health, Welfare and Social Affairs so he may argue his points as well as he did this afternoon, but in a wider scope.

[*English*]

The Acting Speaker (Mr. Turner): Order, please. It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Broadcasting House Proceedings

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

BROADCASTING OF HOUSE AND COMMITTEE PROCEEDINGS

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

That this House approve the radio and television broadcasting of its proceedings and of the proceedings of its comittees on the basis of principles similar to those that govern the publication of the printed official reports of debates; and

That a special committee, consisting of Mr. Speaker and seven other members to be named at a later date, be appointed to supervise the implementation of this resolution.

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, at this point in speaking to this motion to have television in the House of Commons I should like to refer briefly to some of the comments made by the hon. member for Grenville-Carleton (Mr. Baker), the house leader for the official opposition. At one point I believe he said the government wants to run across an unexplored field. He went on to list a number of fears, a number of negative possibilities. He raised the question of cost. He suggested he wanted more studies, and even a study of studies.

In response, with as little politics involved as possible, I want to point out, as did the government House leader earlier in the day, that in 1957 television first came into the House of Commons. Fully ten years later, in 1967, the hon. member for Waterloo-Cambridge (Mr. Saltsman), I believe, brought forward a private member's bill. Two years after that, and still almost ten years ago, the hon. member for Peace-River (Mr. Baldwin) brought forward a private member's bill or motion which was passed and which led to a committee investigation. The issue has now been broached in three throne speeches.

We heard from the government House leader that more than 40 countries around the world have their parliaments or centres of democracy or government broadcast and/or television. Surely at this point when almost the majority of legislatures across Canada have television and broadcasting, or are proposing it, the central government and the Parliament of Canada are long overdue in taking that step.

For the hon. member for Grenville-Carleton to say the government wants to run across an unexplored field is not quite an expression of reality.

Mr. Baker (Grenville-Carleton): That is not quite what I said, but it will do.

Mr. Fleming: The hon. member moved an amendment which says we should have a committee study the matter further. Once again the opposition seems to commit a crime of which it all too often accuses us. Nothing could be more absurd than to have a committee study the work of a committee which is trying to resolve a very crucial issue if Canadians are to understand what parliament and, more important still, what Canada is all about.

The minister in his comments made several points which I should like to mention again if I may. The televising and broadcasting of the House of Commons proceedings would be under the authority of the Speaker who survives in his office only because of support from all sides of the House of Commons. This is a guarantee of objectivity and efficiency in the recording or broadcasting of the events which take place in this Chamber. Further, the government House leader gave us his assurance that all parliamentary rights and privileges will be observed and upheld, and that if they are abused by anyone taking advantage of those broadcast tapes they will be answerable to the House of Commons which is, of course, finally the highest court in the land. And yet the media will continue to be free to edit and select as it sees fit, at its own discretion. For its competence or lack of competence in doing so it will be answerable to its viewers, to the Canadian public, and to the Canadian Radio and Television Commission. Finally, it will be answerable to this House if abuses take place.

Technical problems will of course occur, but not ones which are in any way insurmountable. Lighting can easily be arranged to avoid causing extra heat or difficulties to the eyes of those within the House of Commons. Those kinds of difficulties with television were conquered several years ago. Cameras can be placed unobtrusively, as the study done last year under the authority of the House leader at that time showed. There is no need to use "on air" lights or things of that nature which would be distracting to the on-going business of the House of Commons. Something very important to me as a member of the Chamber is that this Chamber and its beauty can be maintained and not damaged in any way.

● (2010)

Costs are something which the hon. member for Grenville-Carleton chose to comment on, especially when he interjected several times during the speech of the government House leader. At one point I believe he commented "What about our pensioners?" when there was mention of costs. I should like to point out that the annual cost of running television and radio in the House of Commons, of having these recordings available and of telling and showing Canadians what is happening, would be less than $1 million. On the other hand, if we were to say that we were not going to let the Canadian public understand better what is going on here but instead are going to assist our pensioners, this would work out to 50 cents per pensioner per year.

Mr. Yewchuk: That is fine.

Mr. Fleming: The hon. member says that is fine, Mr. Speaker. I suspect that if the hon. member thought this out thoroughly rather than simply interjecting he would say, if the issue of pensions is an important one and there should be an increase, what better way of focusing on that than allowing the Canadian public to see issues like this debated in the House of Commons of Canada? I know that the hon. member has some pertinent and wise things to contribute to this debate, and I look forward to hearing him when he gets Your Honour's attention.

[Mr. Fleming.]

It seems to me, Mr. Speaker, that when *Hansard*, as vital as it is, has a circulation of 14,000, when the operating cost is going to be about one third the current annual cost of *Hansard* but is going to reach not multiples of tens, 20's or 50's but will reach a hundred or even a thousand times the current circulation of *Hansard*—and a thousand times 14,000 is 14 million—then surely for an investment that represents an increase of less than 2 per cent of the budget for the operation of parliament we could better tell Canadians what is happening and what this country is all about.

Mr. Hnatyshyn: Would you pay it?

Mr. Fleming: Mr. Speaker, I often find that when I speak in the afternoon the Conservatives are fairly well mannered, but after dinner they become very noisy.

Some hon. Members: Hear, hear!

Mr. Fleming: It seems to me to be an incredibly negative reflection on us all that we should not sooner be prepared to show the public their House of Commons and their elected representatives.

Mr. Alexander: That was a cheap shot.

Mr. Fleming: Well, Mr. Speaker, the hon. member for Hamilton West (Mr. Alexander) says that that was a cheap shot. It is only because I respect that particular member that I have not replied to a number of cheap shots that have been made since I rose to speak. No matter how opponents of this resolution fog this debate, essentially it is: will the Canadian public at last be able to see and hear by means of modern technology what happens in the House of Commons, how it works and what the issues are, or will most of them still have this denied to them?

It seems to me that all of us as members of parliament are terribly anxious, when we receive visits from groups in our ridings, and when those with constituencies not too far from the capital have groups of school children coming here by the thousands in the summertime, to have them come in and see our Chamber in operation, and to speak to them. Yet when we try to keep together a country that stretches thousands of miles from shore to shore, is it fair to people in British Columbia, the maritimes, the north, and in remote areas that they not be given a better perception of what is happening here, what the issues are, and what other parts of the country are all about, as represented by various speakers in this House?

The committee fulfilling the directions of the motion will be made up of MP's from all sides of the House of Commons. Surely they can reasonably consider the problems involved and find answers to technological problems. To stall further and deny access to these basic instruments of communications to Canadians seems to me to be nothing but simply and directly unjust.

Radio has been in Canada, Mr. Speaker, as a tool of communications for almost 60 years. We have had television

now for more than 25 years. Yet the focal point where all the diverse interests of our country come together to argue and debate and find consensus is still unavailable to those people who want to understand our system better. It seems to me that every concerned Canadian who believes that communications today are one of the major drawbacks to holding together this country should support this motion.

We are in an electronic age which is moving so rapidly it befuddles the mind. But these modern scientific advances must be used to help Canadians overcome pressures and misunderstandings. The greatness of our country is its size, its diversity and its potential. We have survived for over 100 years with geography that confounds us. Our mountain ranges run north to south while our country runs east to west. We have overcome huge distances and stayed together. In the past, despite communications shortcomings, we have managed to tell each other the story of ourselves and have survived.

Today, Mr. Speaker, I believe that few members of the House who are thoughtful about the Canadian situation would deny that we have a very real crisis on our hands, perhaps the greatest crisis we have ever had. If we cannot on all sides of the House of Commons agree better to communicate to the Canadian public the diversity of our nation and the efforts all of us are making, from every part of Canada, to solve our problems, then we are not going to have a united Canada in the future.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I am wondering what has happened to the government's sense of priority. I have listened today to the speech of the government House leader, to that of the hon. member for York West (Mr. Fleming) and to other speakers, in the context of a parliament that is reassembling after a month's adjournment, and the first order of priority is whether or not we should televise and broadcast the proceedings of this House. What kind of a sense of priority does this government have?

Mr. Hnatyshyn: The answer is none.

Mr. McGrath: At a time when we are facing record high unemployment, when the Conference Board in Canada predicts that this year will see even higher unemployment, and reports in its latest findings that the five eastern provinces, for the year 1977, will have on average in excess of 10 per cent unemployment, we are debating this resolution. The two provinces with the highest rate of unemployment, according to the findings of the Conference Board, are Quebec and Newfoundland.

I heard the leader of the NDP speak with a great deal of feeling, he having made a tour of the provinces of Newfoundland and Nova Scotia, about the situation that prevails there. In my own province, Sir, as of this moment we in fact have a real unemployment rate of 35 per cent. Some 55,000 people in my province out of a total work force of 183,000 are drawing unemployment insurance. In order to qualify for unemployment insurance you must be available for work. Another 9,000 are on short-term assistance. Some 64,000 people are drawing unemployment insurance and able-bodied short term assistance. Statistics Canada is using new methodology, and it estimates that the rate of unemployment in my province is about 14 per cent.

Where are our priorities, Mr. Speaker? I sometimes wonder whether this place has lost touch with reality. Here we are discussing the tinsel, unreal world of television. I suppose in a way that is appropriate, because we all know that what goes on here is often unreal. It is certainly out of touch with reality for parliament to be seized today with a debate as to whether or not we televise our proceedings when the future of the country is at stake. There are stresses and strains on confederation today of a kind that have not existed in the last 100 years. We have unemployment today such as we have never seen since the second world war.

● (2020)

I suppose it is appropriate that we should be discussing this resolution, but I would say to the House, let us get on with it. This resolution in one form or another has been with us since 1972, but there are some very important factors of which we seem to have lost sight. For example, what has become of the findings of the Standing Committee on Procedure and Organization which worked long and diligently during the last session of parliament? What happened to the report of that committee? There is no move by the government House leader, or the government, to bring forward a new reference to the committee so that report could be brought before the House. There was, indeed, no reference made today by the government House leader to the impact that this resolution will have on the rules of the House.

Let me make it clear that I support the principle of televising the proceedings of this House. My House leader has put forward the position of this party that we support the principle of this move. I also submit to you, Sir, notwithstanding the fact that you have yet to make a ruling on the amendment put forward by my House leader, that it would be logical to consider the impact this will have on the rules of the House by sending this resolution to the Procedure Committee. We should consider the fact that the findings of the Standing Committee on Procedure and Organization, structured during the last session of parliament to revise our rules, have yet to be brought before the House. We should further consider the fact that this reference in the last session to that standing committee did not cover rule changes in the context of televising or broadcasting the proceedings of this place. Surely if we are to contemplate this move we must do so in the context of the impact and the effect it will have on our procedures and standing orders.

It would seem to me to be logical and sensible for the House, having agreed to this matter in principle, to take the next logical step of referring this matter back to the Standing Committee on Procedure and Organization. That would give the committee the opportunity to assess the rules and the need to change them to accommodate the new effect television will have on the proceedings of this place.

I was among those who were opposed at first to this proposal. I was very vehement and adamant in my opposition to televising and broadcasting the proceedings of this House. However, Sir, the key word is relevancy. I fear that this place is becoming irrelevant. All we have to do is examine the record of the government during the past session.

A year or so ago the House brought in new standing orders which made possible under the rules of the House a practice that had been in fact a tradition of the House, and that was for ministerial statements to be made in the House with the right of members of the opposition parties to reply to those statements. The House obviously felt the need to regularize that procedure and tradition of the House in the rules, and we did so by Standing Order 15(3). Yet almost every time there is a statement of any consequence to be made, notwithstanding the fact that the House is in session, the ministers and the Prime Minister (Mr. Trudeau) go outside this House to make these statements, thereby depriving parliament of the opportunity of responding.

Reference has already been made to the Prime Minister's statement of November 23, probably one of the most important statements ever made by a head of government in this country, in the context of what happened in Quebec on November 15, what this would mean for the future of the country and for the future of federal-provincial relationships in the immediate future. The House was in session at that time but the Prime Minister went on national television, completely ignoring parliament in this most important statement affecting the very future of the country. I suggest that was contemptible on the part of the Prime Minister. I believe that if the House had provision for televising and broadcasting its proceedings this is the kind of abuse that could and, I suspect, would be stopped.

Again I could refer to the statement made by the Minister of National Defence (Mr. Danson) on December 2. The minister made a very important announcement about the new search and rescue policy for Canada. He chose to make that statement outside the House, notwithstanding the fact that the subject had been the topic of debate throughout the last session of parliament and had become a matter of great concern here and throughout the land. Yet with the House in session, the Minister of National Defence elected to make his statement elsewhere than in this House, thereby depriving opposition members, especially members directly affected from both coasts and from Great Lakes constituencies, of an opportunity of having input to that new policy and an opportunity to react to it, or to question the minister on it as is provided under Standing Order 15(3).

Again, the Minister of Fisheries and the Environment (Mr. LeBlanc) on December 22, with the House in session, called a press conference to announce the management policy of the government in respect of the 200-mile limit which was proclaimed on January 1. If there ever was a statement that was relevant to parliament and that should have been made in this House it was this statement on a subject that had seized the attention of the House for several years, namely, the role of the government and its managerial responsibilities in connection with the implementation of the 200-mile limit. Yet that statement was made outside the House. We did not have an opportunity to question the minister on it or to react to it.

That is why I came to the conclusion that with the changes in the rules, and with this growing propensity on the part of the government to go outside this place to make announcements, whether by press conference, by speeches, or by federal-provincial conferences, this practice could possibly be arrested and in that context this place would become more relevant if its proceedings were televised and radio broadcast. That is why I changed my view.

I also had reason to change my view when it became evident to me that the government was somewhat less than sincere in its attempts to get the Standing Committee on Procedure and Organization to change the rules of the House. Let us take a look at the rules. I have already referred to ministerial statements which, since December, 1974, have been provided for under the standing orders, with the growing practice of ministers circumventing that rule by making statements outside the House.

We should also take a look at the impact of television in the House on our supply procedures which, God knows, are already inadequate. I suppose this may bring on the necessary reforms to our supply procedures when we have cameras in the House, particularly if the country can witness the spectacle and humiliation of parliament having to rubber-stamp appropriation bills as they come before the House without having any proper examination of the estimates leading up to them. Indeed the standing committees of this House are so overloaded by legislation and so encumbered by the growing complexity of government estimates and the form of those estimates that there is never a year goes by when there are not a number of departments whose estimates never get to committee because of the guillotine supply procedure under the rules, whereby the estimates are deemed to have been passed and reported by the committees as of the end of May of each calendar year.

Perhaps cameras in this place would expedite the necessary reforms, which I believe everybody is now prepared to concede are long overdue, to give this place some control over government spending. If we had cameras here when we went through the procedures of dealing with appropriation bills, virtually having to rubber-stamp billions of dollars in government spending without adequate examination, that one spectacle would be worth having those cameras here. I believe that that would bring home to the people of this country more than anything else the spectacle of parliament having no control over government spending. For that reason I believe that television in the House would be an improvement.

● (2030)

What about the standing committees of the House? Would it not be logical that we should perhaps start by televising the standing committees? Certainly the rules have to be amended to change the procedures within the standing committees. I

think everybody will concede that under the rule changes under which parliament now operates the standing committees do a reasonably good job in examining legislation. Legislation is given proper examination clause by clause, and indeed in many cases legislation is improved by the committees when it is reported back to the House. But the rules of the committees have to be changed to make the committees more relevant in terms of their ability to examine government spending and to call ministers to account for overspending their estimates, and indeed committees must be given the power to take the necessary initiatives, when they deem it advisable, to look on an ongoing basis into government spending, notwithstanding any rules of the House which may make it necessary to have estimates reported back to the House on a certain day.

We should take a look at the impact of television in the House on the most important part of our parliamentary day. A part of our parliamentary proceedings which has assumed a new importance and a new relevance as a result of the new supply procedures, the only part of the parliamentary day when we can hold the government accountable, is the question period. But the question period is at best an ineffective instrument to hold the government accountable. However, it is all we have. I believe the question period procedures in the House can be improved, and indeed I believe they will have to be improved before the House can agree to having television cameras in this place.

I believe that these reforms cannot be looked upon in isolation, just as I believe that by having this matter referred to a committee after the House has voiced its opinion on the principle—which I believe will find certain majority support—the committee will then have an opportunity to examine the need to change the rules in the context of the new situation which will emerge as a result of televising the House or providing, as the government House leader likes to say, an electronic *Hansard*.

There is one part of the government's proposal that has me somewhat troubled. The government has departed from the recommendations of the committee in one very important part. The committee recommended that the televising of the House be done on an experimental basis. I believe that to be eminently sensible because obviously we will have to look at the effect of television in the House on the rules of the House. Consequently I believe that before we put any permanent fixtures in place, before the House adopts any permanent procedures, it would do well to think that it will do this first on an experimental basis so that the procedures can be worked out as we go along. But in order to get at this in the context of the rule changes, in order to give all members of the House an opportunity to reflect on what this will mean to them individually in carrying out their responsibilities in this place as representatives of their constituents, it would be eminently sensible to have this matter referred to the Standing Committee on Procedure and Organization, not in isolation but in the context of an examination and a reassessment of our standing orders and procedures in the light of the impact that television will have on these standing orders and procedures.

I hope that the government House leader will agree to this proposal—if in fact Your Honour finds it admissible, which I hope and believe that you will—so that we can get on with the real priorities of the House and of the country, the priority of jobs and the priority of the future of confederation itself.

● (2040)

[*Translation*]

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I thank you for recognizing me and enabling me to take part in this debate on the introduction of television in the House of Commons. I hope to be brief. I shall just take the time to underline the advantages I can see in televising the debates of the House of Commons.

As far as I am concerned, I think that we will derive greater exposure from the process, and exposure being the essential quality of politicians in the twentieth century, I think we need it more and more in our trade. Televising the debates of the House of Commons will thus spotlight government policies and motivations in the establishment of its programs and I think it will enable the Canadian people to have a much better perception of their representatives in the Parliament of Canada.

The measures we are proposing now will enable us directly to address the people, better than all the other measures which have already been taken such as the opening of the galleries of Parliament to the public and to the press, and the introduction of written *Hansard*.

I admit, Mr. Speaker, that I found it difficult to convince myself when speaking before a necessarily restricted audience in the House of Commons, and I understand the difficulties of having better attendance in the House. It remains that hon. members must address an audience which is necessarily very restricted.

I for one can hardly imagine that I am speaking to the nation, that all Canadians are listening to what I have to say, while a great many hon. members, who are overworked, must of necessity carry out their business in the House and listen to me only absent-mindedly.

Thanks to television broadcasting, we will be able to speak to the Canadian public as a whole. In my mind, this proposal to have our debates broadcast is certainly a new and most important progress of democracy within our society. If you will allow me this return to the past, Mr. Speaker, this bring us back to the "agora" of Ancient Greece, the open air meeting place where people would get together to obtain first hand information, without the assistance of intermediaries or, for that matter, translators, and where they could judge on the spot the effectiveness, sincerity, wisdom and what have you of their elected representatives. Little by little, the "agora" went indoors. Even during the last centuries, the proceedings took place in assembly halls such as this, their walls adorned with silk and velvet drapes, their floors covered with thick carpets, in certainly splendid, even impressive surroundings. However, gradually a protocol and a decorum quite foreign to the people was introduced in those rooms and the atmosphere so created could induce the governors to govern cautiously.

Today we propose to recreate the agora, but for everybody, for the people, for the Canadian people. Through the electronic *Hansard* we shall open the walls of this House to all Canadian citizens who will be able to follow our proceedings. If they wish, they will have direct access to our work. No longer will they have to rely on distorted or incomplete reports interpreted or revised by someone else. I do not say that the role of the media is not important. I do not say that they should not continue to interpret and report our proceedings but Canadians will be able to see directly what we are doing, when we are doing it.

There will also be an element of entertainment that might revive the interest of the public in parliamentary business. And if they continue to read newspapers, at least they will be able to compare their own perception of facts with the interpretations given by the media and those of us who sometimes complain about the misinterpretation of the media will no longer have reason to complain as our intervention will be on the record and will have been seen and heard by a large part of the Canadian people. Furthermore, as those interventions will be filmed and kept in the archives, newsmen will have there, I suppose, a reminder of the ethic that makes the glory and the honour of their trade.

But the opposition does not appreciate this attempt, this decision of the government to open Parliament. The hon. member for St. John's East (Mr. McGrath) complained earlier that some ministers make statements outside the House and carefully avoid making them in Parliament. I do not see the logic of his objection because if we broadcast our proceedings, ministerial statements will be recorded immediately and broadcast to all interested people and they will not have to use more efficient means outside the House. We propose a more open Parliament and it is precisely the wish of the hon. member. And we are using the best means available to make Parliament more open.

Opposition members are calling for a legislation to ensure access to information. They make no distinction between information which should be available immediately or a little later and information which would likely jeopardize certain negotiations. They are totally irresponsible when they advocate full access to any kind of information and in all circumstances. They want information to be more readily available. That is also our hope, and we have announced a legislation on access to information. But before the fact, we are offering, through the television broadcasting of the proceedings of the House of Commons, immediate access to the most important information, that is what is happening in the Parliament of Canada. There are opposition members who are opposed to this project of televising the proceedings of the House of Commons.

The President of the Privy Council (Mr. MacEachen) was wondering this afternoon if Parliament would resist such an exposure? I ask in turn another question. Are opposition members afraid of not resisting scrutiny in this public forum, in the true sense of the word, that the television broadcasting of our proceedings would make of Parliament?

[Mrs. Sauvé.]

Mr. Speaker, since I came to this House, I have seen things that the hon. members of the opposition would perhaps not want to be laid before the eyes of the general public. For instance, the frequent absence of some members. The opposition tactics of planning very cunningly a rotation system for its members, a system that is only known to them and that we must try to thwart at some crucial moments in the House. They subject us to sudden fits of attendance and absence which prevent our members from spending as they do the necessary time in their riding. Of course, those are quite obvious tactics, but they shirk their parliamentary duties when they do not play the game, because there are some unwritten rules that the members opposite should obey. They take unreasonable advantage, Mr. Speaker, of the game of hide-and-seek at the time of crucial votes in this House.

Ever since I came to Parliament, I have secretly blamed the opposition for this and I now dare voice it publicly tonight because our role, as representatives of the people, is difficult enough to expect the cooperation of both sides of the House in allowing all hon. members, those of the opposition as well as those on the government side, to perform properly their duties as parliamentarians and representatives of the people. But all this, with the televising of our debates, will be brought out in full daylight: a mere travelling of a camera will enable one to see who respects the House and who does not.

Another thing I shall be delighted to see, Mr. Speaker, will be the televising of the question period. This House witnesses moments without equal when the questions of the opposition are direct and go straight to the core of current events, when questions and counter-questions fly on all sides, when the outstanding parliamentary talents of our Prime Minister come into play. We have quite a show on some days. We have no fear, Mr. Speaker, of letting the nation see that show. On the contrary we long for the day when we can let everyone know, on a daily basis, how the Prime Minister fights for the interests of the people.

• (2050)

We on this side of the House are ready to meet that challenge because on many occasions we tested the Prime Minister's qualities as a parliamentarian. I do not say that the opposition does not have its own good parliamentarians. Some days, when some of them are on their toes, we also have a good show from the other side of the House. But since the opposition too has its artful, able and competent parliamentarians, why not make them known to the whole nation? That is in fact the proposal we put forward to you: it will be an even contest for both sides of the House. Perhaps it is because the malicious intent of certain questions raised by the opposition will in the end become far too clear that they oppose that project. And perhaps it is because some people, whose talent can only be exercised through misdirected controversy, will be absolutely deprived of means if they were to change their style.

I am convinced that a broadcast question period will impart a much more resposible approach to that aspect of our deliberations. As a matter of fact, ours is more interesting than that

of other countries, because very rarely is there prior notice and that element of surprise, which is peculiar to our House, will undoubtedly get people interested and bring them to listen to the question period.

I am therefore convinced that broadcasting the question period will change its style and, who knows, will perhaps give rise to questions much more relevant to the true concerns of the people. Why should we be afraid of this experience, Mr. Speaker? I do not understand the hesitation of the opposition members and I can only think that they are afraid to lose face before the judgment of the people which will certainly be merciless when they witness our debates directly.

Another aspect of our debates which will greatly benefit from broadcasting concerns our speeches. As many are aware I had a career on television and in the trade we always say that there is nothing that cannot be said in five minutes. Of course,we must know what we are saying, choose our words well and not repeatourselves. The operation of Parliament would benefit from being much more concise and much more controlled on both sides of the House. Because of the misuse of the privileges of the House, certain members often lose sight of their subject and take the time of the House, certain members often lose sight of their subject and take the time of the House to say unimportant things. All this, Mr. Speaker, will not hold up very long on television.

Moreover, by broadcasting House proceedings, we may obtain the parliamentary reform that government members urgently request and which the gentlemen on the side of the opposition refuse because they are obviously not interested in seeing this Parliament operate efficiently. This would cause their downfall. They do not want Parliament to operate efficiently because it is not at all in their interest.

And they count on the fact that there is in the House a certain theology of consensus concerning parliamentary reforms. Well, like many others, this theology could undergo a very fast evolution in view of the impatience that the people will surely express if we continue to delay needlessly the broadcasting of House proceedings and if we continue to multiply speeches simply to kill the time required for the passage of legislation. The opposition is also opposed to parliamentary reform and, like the hon. member who spoke before me, I believe that the broadcasting of the debates of the House will probably hasten parliamentary reform, which would allow us to keep pace with the twentieth century and operate Parliament as efficiently as possible in this day and age.

Similarly, television helped bring to an end the Vietnam war. For example, the single fact that each night of the week people could see real soldiers, both Vietnamese and American, being killed on a real battlefield, very quickly caused them to beg: "Stop! You cannot go on fighting when this war destroys human beings and also countries."

Those who analyze such situations say that television helped bring to an end the Viet Nam war and forced the leaders to stop it. Television has also known critical periods such as when narcotics were very popular in the United States. They were very popular simply because each day this subject was mentioned and discussed on television. Because of the overexposition due to television, some events are overlapping which, more rapidly than with other media, forces those involved to take stock. I think that if our proceedings were broadcast, we would all improve very rapidly the quality of our remarks in the Hous and we would realize very rapidly that we should be more pertinent in the House, closer to the true concerns of the people. This we should recognize with humility; we take the habit of discussing and of talking to each other in the third person. These are things that people may not understand very well. I repeat that we will rapidly come to the conclusion that we should change our style and improve the quality of our work in the House.

As for me, I think that the broadcasting of the proceedings of the House of Commons will improve Parliament and this is the goal I want to reach by supporting the present motion concerning the broadcasting of our debates. This measure will also have the great advantage of closing the almost inevitable gap between the people and their Parliament. Our country is large, the members must spend all their time in Ottawa and those of us who live in the extreme parts of our country find it very difficult to organize their timetables so that they can be in their ridings and fulfil their parliamentary duties as well. But if by means of television we can do both we will be physically present in the House and we will also be present in our ridings, then, the people will see us work as their representatives. Consequently this inevitable gap will be closed, which becomes more and more important. By the way, we know that in many cases people are not interested at all by the work of their representatives. Consequently we will be much more present before our electorate when the proceedings are broadcast; this measure will help people better understand what we are working at, what we do in Parliament. Maybe by following our proceedings they will be able to realize how tenaciously we try to fulfil our duties and this in their best interest.

Consequently, it is difficult for me to understand the reservations of the opposition about this motion concerning the broadcasting of our debates. Their reservations sound like the old objections about *Hansard*. When the proposal was put forward to print the record, there were objections similar to those we are now hearing from hon. members opposite. But the printed record has proven altogether useful, has it not, Mr. Speaker? We are now proposing nothing more than an electronic record, a medium in agreement with current technology. Nothing less, nothing more.

Before I conclude, I would like to share with you, Mr. Speaker, the experience of a small community called Ferme-Neuve, some 100 miles north of Ottawa. When I went there to make a speech, I was told that the community television station was broadcasting the city council's proceedings. When in the course of a council session the debate became animated and expressed the people's concerns, citizens came *en masse* to the council room to set nearer to their representatives and hear them debate. To me, this is a good example of TV's possible

achievements in the way of getting the people nearer to their representatives and their work.

I believe that if we try this, people will rediscover Parliament. In so doing we will do Parliament a service, because we dared put it in better perspective. It takes daring indeed to broadcast our debates. This will put Parliament in better perspective, and as in Ferme-Neuve people will come to us in greater numbers. Canadians will rediscover that here, in Canada's Parliament, are people who want to serve them.

● (2100)

[*English*]

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I rise tonight as the member from Okanagan-Kootenay and nothing more, representing a geographical area and sent here for the second time as the representative of the 100,000 or so people who occupy that specific geographical area. I speak as one who has opposed the televising of the House of Commons on principle through both my terms in parliament. It was lonely back in 1966 and 1967 at a time when television was new and seemed to offer some of the hopes expressed by the minister who has just completed her remarks. However, it is not so lonely now when a great and rising chorus of voices has been added to the people who see television as something less than it has been portrayed to us in the address we have just heard, and in other remarks on the subject.

I would like to begin with a quotation that is cynical. It was written by a British Columbian who, according to some speakers, should be thirsting to have this place televised. He writes for the Vancouver *Sun* and for *Maclean's* magazine, Allan Fotheringham. He has not been any particular friend of the Conservative party or myself. I do not share all of his cynicism, but I think the lines with which he begins his column in the latest issue of *Maclean's* are significant to this debate this evening. He states:

> The essential invention of government is the myth. A party in power that can take fantasy and sugar-wrap it into a guise resembling fact is a successful operation. It is why, as the House of Commons opens its lungs for 1977, the Liberals are decorating their legislative list with the machinery to televise parliament. There is a very good reason why the Liberals, after shying so long from appearing naked before the curious public eye, are being so vocal about this selfless act. It is now quite harmless to televise the Commons because nothing of importance happens there anymore.

I do not quite believe the last line, but I suspect the opening lines have much to say about the real purpose of this activity in which we are now engaged. We heard a great deal about opening up, but I trust Mr. Fotheringham more than the remarks we have just heard.

Televising the House of Commons should not be seen as a simple technological advance. It strikes at the heart of our democratic government. I believe that our form of representative government under constitutional monarchy and responsible to the elected representatives is the best guarantee for democracy yet invented. It should be appreciated and guarded for its own sake.

In that regard, it should be recalled that the original House of Commons was not secure until it was powerful enough to exclude a variety of people from its premises. I know that some of the most ardent advocates of televising this Chamber would fight to the death a latter day intervention in this Chamber by direct intervention of monarch, governor, or even member from the other place. Why they should welcome so enthusiastically and uncritically a technology and technicians who would wield an enormous power over each one of us, I do not know.

This proposal, if effected, would alter the privileged status that we as members have long enjoyed. There are important questions of privilege that must be settled prior to any televising of this place. I trust others will develop that particular point as this debate continues.

A popular belief holds, however, that representative democracy is inferior somehow to direct democracy. We had it rephrased again this very evening. The idea persists that long ago in a golden age direct democracy developed in Greece and that, somehow, any subsequent variety has been inferior to the original. As with any golden age it cannot be contemplated without nostalgia and a longing to retrieve the irrevocably lost.

Television with its awesome power to hold attention and to entertain is seen by many as the vehicle through which direct democracy can be returned to the people of a vast and populous land.

During the twenty-seventh parliament, when the question was raised and the advent of TV in the Commons seemed imminent, I was asked by a reporter, "Wouldn't you like to talk to your constituents through television?" His tone indicated no possibility of a negative answer. Yet implicit in the question are two assumptions that need examining. First is the assumption that my constituents would ever see me via television. I have been excised from enough reporting emanating from this place to know that one's chances with the press are slender indeed. I hold no hope that photographers and editors of film would do better by me than do reporters.

There is, however, an essential difference between television reporting and newspaper journalism. The member, ignored by the journalists, has several methods of presenting himself to his electorate. He can attend local events, speak at his own meetings, write for the local papers or write letters to the editor, and, as a last resort, he can even buy advertising space in the local papers. The printed *Hansard*, too, serves as his court of last resort, proof that he has been present and has participated in parliament.

But television is something else. If the member was excised from everyday's televising over four years' time, his re-election would be virtually impossible. And what recourse would he have? Who could afford to buy the time on national television to counter the impression that either he had never been there or had never been worth televising?

The second assumption is also important. What guarantee would I have, as a member, that what was televised back home was flattering to me or even neutral toward me? On one or two occasions in this House I have even fallen asleep when some member on the other side has carried on at great length to

little point. Suppose that had been captured indelibly and forever on the screen?

There are two variations of what is going to happen in the House once it is televised. One is that a powerful committee would see that nothing untoward is ever turned out over the television system. We have the other voice, again embraced in the last speech, that there would be an enormous file of tapes kept forever. I can imagine! The cabinet cannot keep a thing secret for a moment. The leaks from that place are notorious, and have been for years. What security we would have that some unflattering and some misleading tape would not appear I do not know. However, those are minor matters compared to the really important points about the proposal to televise this place.

Everyone who comments on televising the House of Commons admits that it will change the House. Many say it will change it greatly. Again there is an assumption that needs examining. It is assumed that the changes will all be to the good. Television is seen as a broom sweeping clean, reforming, brushing away the irrelevant, the tedious, polishing up the debate, shortening it, illuminating the decisions, and improving the legislation. What a hope!

There are things that can be done to do that. Some have already been mentioned. The Prime Minister (Mr. Trudeau) could make his main statements here, as could cabinet ministers.

Anyone appointed to or recognized by the press gallery should be required to spend at least one hour of each working day listening to the debate in this place and commenting on it. One of the reasons why the level of debate has fallen so badly is that nobody does this any more. So no score is kept as to who is an effective debater, as to who can hold the attention of this Chamber, as to who is capable of saying anything relevant. That sort of change has come about in the 11 years since I first took my seat here.

There are things which need to be done, and those are two which would help enormously to improve the quality of debate.

• (2110)

Surely, too, we must look at other aspects of Canadian life which have not benefited from television. Can any hon. member point to one institution in North America which has benefited since the advent of television? Hockey has greatly changed since television, but has it really been improved? It is interesting to note that when the television of hockey began we were told the days of the commentator were ended, that Foster Hewitt was finished, that he would not be needed because people could see and hear for themselves what was going on. How wrong that prediction has proved to be.

There is very little about televising an institution such as this which is predictable in advance. I suggest there is nothing predictable in advance about televising this place. Already we can see the game being played by the government, and perhaps by the opposition too: it will damage you but it will enhance us. That line is being handed back and forth, but we cannot predict such a result with any certainty because the results of televising any institution are bound to be unknown until the attempt has been made.

Violence in hockey is attributed to television by many thinking people. Violence in the House of Commons is virtually unknown now, but could it be kept out of a televised House? Ratings are the important thing about television, and what would improve a rating more than if an hon. member from one side or the other were to run across and punch somebody in the nose? It would mean a dramatic increase in public attention, no doubt. But would television in the House really favour the genuine over the phony?

I suggest we seriously consider the quality of what passes for religious broadcasting in North America today. I am glad the previous speaker mentioned theology because we are now into the province of myth, theology and blind faith. We have heard a variety of blind faith expressed here already this afternoon. CBC drama has not been confined to parliamentary language. Would it be possible to refrain from bolstering a weak speech by the profanity which bolsters so much weak writing for television? I doubt it very much.

There are some on the other side who think they would be marvellous performers and stars of the show. I know the Prime Minister sees television as providing a restorative to his fading career—that he sees himself as the Mother Dexter of Parliament, over the hill and prone to profanity. After the speech we have just heard there is a danger that the Minister of Communications (Mrs. Sauvé) may become the Carol Burnett of this place.

Some hon. Members: Oh, oh!

Mr. Johnston: We are called to this assembly as members of parliament to debate and to legislate, and, increasingly, to act as ombudsmen. If the government wanted to bring in any measure which would improve the ability of members to perform their tasks it could have introduced a bill to fill the long-awaited post of ombudsman for the national administration. That would have been a worthy bill and it would have freed members of parliament from much of the work they must perform along those lines. We should always be conscious of the need to improve our performance in any of our roles as debaters or legislators, but if the House is televised we shall face a new demand, not for better legislation, not for better debate, but for better television. I submit that the changes forced upon us would be toward that goal. We would end up with our own cosmetologists, our own lighting men, and our own stars.

We have been sent here to represent our constituents. My constituents are the people for whom I speak. I am sure it is not my job here as the member for Okanagan-Kootenay to speak for the nation, and I can see many ways in which my role in this House would be complicated if every time I rose in this Chamber I had to contend with the thought that I was speaking not to my fellow members assembled here as legislators but to the nation. I am afraid that is a task which does not thrill me and one which my ego, such as it is, does not appreciate.

The most important argument of all derives from information obtained from a variety of writers who have had occasion to study the medium. We should remember, as well, that television is illusion and that it works best, if it works at all, as entertainment. The French philosopher-sociologist Jacques Ellul put it best in his book "The Political Illusion" in which he said:

Finally, TV's effect on politics is being much discussed. The televised transmissions of parliamentary sessions, the direct exposure of politicians, the possibility a statesman has to show his face to everybody when making a speech—all this, it is argued, provides some sort of direct democracy.

As we have noted, however, this entirely passive role of the citizen has nothing to do with a working democracy. Such TV transmissions illuminate precisely the division discussed above: on the one hand there is the political spectacle, on the other, the reality of power. TV accentuates the spectacle, on the other, the reality of power. TV accentuates the spectacle and makes it all the more special because it gives the individual the impression of life itself, or reality directly seized. He will say: "Political Affairs? Of course, I've seen this important debate in the Assembly, where everybody played his role so seriously. The State? Of course. General de Gaulle or Mendès-France talked to me yesterday over the TV."

The examples given are French, of course, because the author is French.

All that is just a spectacle, appearance without root, such a game. And precisely because all this is only a game, such a telecast is possible. The real political mechanism—the state structure—remains completely hidden, outside all control, all the more so as the flickering little screen fixes the individual's attention on the spectacle and prevents him from searching deeper and asking himself questions as to the true nature of power.

This shows the folly of pretending that the televising of the proceedings of this Chamber will accomplish any part of the crusade which the hon. member for Peace River (Mr. Baldwin) has carried on so long, as a result of which the pressure generated by his efforts is being felt by the government over there. Again, we get a trade-off which will really satisfy no one. Just as the trade-off of the abolition of capital punishment for gun control did not fool the people of Canada, so this trade-off will not fool them either. In fact I can think of nothing more detrimental to the successful conclusion of the effort to obtain open government than the televising of this Chamber, thus creating the illusion to which reference was made over and over again by the Minister of Communications when she said it would open this place up, while being unaware of the other point which is so crucial to anything like the free workings of a democratic government.

● (2120)

There have been other warnings that have been pertinent. Malcolm Muggeridge, a long time television personality, has this to say:

The media enormously distort life. People are given a surface picture which they come to believe—the legend made visible, the word become television. It promotes complete conformism. A phrase like "population explosion" is bandied about as if it meant something!

Or Blaik Kirby, writing in the *Globe and Mail* and speaking of Muggeridge's series "A Third Testament", says something that applies precisely to what is planned for the House when he writes:

. . . but nothing can be done really well on TV that is not properly adapted to the visual medium,—

[Mr. Johnston.]

This is one of the problems with this place; it is not adapted to the visual medium. It is not adapted to television now, but it would be because the demand would come and we would be forced to conform.

It is a pity, in a way, that the leader of the NDP is leaving because it was from that corner of the House that so much utterly unquestioned faith in regard to televising the proceedings of this Chamber comes.

We get back to the idea of myth that Fotheringham used:

In any case, it is quite certain that myths in our western civilization are connected with action, and incite to action. In that sense the definition of myth as "a motivating global image" is certainly the most exact. This myth is indeed a vigorous, highly coloured, irrational representation, charged with the entire believing capacity of the individual. It is, for the most part, a subconscious image, because the religious charge which it carries gives it an appearance of obviousness and certitude so fundamental that to become conscious of it is dangerous. Conscious awareness would run the risk of weakening the certitude. The person with a confused sense of it escapes the clarity of seeing the myth as myth. He can continue to take refuge in certitude.

I know this most important point is also the most misunderstood, Mr. Speaker, because it moves into the realm of the new sacred and the new mythological. It is one of my personal disappointments that some of the reverend gentlemen who are also members of parliament, and whom, one would assume, would know much about the former sacred and the old mythology, have themselves joined in demythologizing the old sacred, and seem to be unaware they are taking upon themselves a new sacred and have accepted a new mythology. So they will not be aware of the loss of objectivity in discussing this measure. In conforming to this world, spokesmen have raised modern technology to a level beyond criticism—irony of ironies!

I heard the hon. member for Winnipeg North Centre (Mr. Knowles) speak of the right to know, that televising this Chamber somehow will provide the right to know. The most ancient of temptations, Mr. Speaker, is the right to know. It is the original one. That is the new myth, the myth that has been exposed, and first exposed by a Canadian prophet, Marshall McLuhan. He has spoken in his own country, and although perhaps unhonoured he has been generally unheard and almost completely misunderstood. Again I would go back to Ellul's writing; he has appreciated what we have heard but to which we have paid so little attention. He says:

Anonymity can no longer be assured by ancestral tradition in a society geared to the future and rejecting continuity with the past.

That is an excellent description of North America.

The anonymity is now assured by the mass media. The someone who carries the story to all, the someone who is completely known and completely anonymous and is assimilated to the "no one" speaking in the myth, is, par excellence, the television announcer.

That is where we find, not the birth of modern myth, but its guarantee of mythical authenticity. The transformations produced in the modern psyche by the mass media, the disconnected order of the discourse, the reappearance of global mythical thinking, the rejection of rational logic, the instant seizure of the real, etc., that has all been thoroughly shown, demonstrated and explained by Marshall McLuhan.

Yet it is as if he never wrote, Mr. Speaker. He has been a true prophet who has said these things 20 years ago. One listens in vain for any indication that he has been heard and

understood, unless it is that he has been heard and understood so well by the government opposite that this exercise we are engaged in is a completely cynical one, and I suspect that might be the truth.

I should like to quote McLuhan himself on the subject of control. He said:

No society in history has ever known enough about the forces that shape and transform it to take action to control and direct new technologies as they extend and transform man. But today, change proceeds so instantaneously through the new media that it may be possible to institute a global education program that will enable us to seize the reins of our destiny—but to do this we must first recognize the kind of therapy that's needed for the effects of the new media. In such an effort, indignation against those who perceive the nature of those effects is no substitute for awareness and insight.

The extensions of man's consciousness induced by the electric media could conceivably usher in the millennium—

Having heard so many speakers from the other side, that surely may be what they believe. But he warns:

—it also holds the potential for realizing the Anti-Christ. Cataclysmic environmental changes such as these are, of themselves, morally neutral; it is how we perceive them and react to them that will determine their ultimate psychic and social consequences. If we refuse to see them at all, we will become their servants. It's inevitable that the world-pool of electronic information movement will toss us all about like corks on a stormy sea, but if we keep our cool during the descent into the maelstrom, studying the process as it affects us, and learning to program and control it, we can come through.

I wish I could be as optimistic as Marshall McLuhan. Certainly the LaMarsh commission appointed by the premier of Ontario, headed up by that very good friend of the government opposite who was a cabinet minister for so long, is having a difficult time drawing any report to any kind of conclusion. When the report does come I am very skeptical that it will result in any effective control even of violence, regarding which there is a profound feeling that somehow technology and television have got well away from us.

There are other Canadians of sense on this subject. Professor Norman Ward of the University of Saskatchewan, in a cautionary letter to the Speaker of this House, says:

It is simply not true that the camera does not lie; it can lie more spectacularly than any unaided human being, and given the nature of some of the House's proceedings, it is likely that members will sometimes want to help it along in that direction.

And later:

I know that *Hansard* is far from being a perfect record, but compared with the hit-and-miss selectivity of live television it is incomparably more reliable than the fleeting pictures would be; yet it is almost inevitable that the pictures would have a greater impact on the public.

It is there, Mr. Speaker, that we so often get the argument that television will let people know what is going on, or that it is the same thing as the print media and we are under no greater threat from the cameraman than we are from reporters in the gallery. But both Marshall McLuhan and Norman Ward warn us about this.

I could also quote Robert Fulford who talks about Peter Gzowski's shift from the medium of radio to television. He says:

As I saw the first show, it again occurred to me that the nature of unrehearsed entertainment TV makes every subject trivial. Television, unless it's prepared with the greatest care—as in good drama, comedy, and documentary—turns everything it touches to dross.

Again, from the performances opposite it would not take much of a turn, but nevertheless for those who hope that the unstructured televising of this Chamber will result in great television, I think they are caught up in a powerful illusion.

Robert Fulford goes on to say:

What Johnny Carson knows about TV—and the people who are hoping for a repeat of This Country don't know—is that it needs to be entertaining all the time, *all* the time.

This is the secret Johnny Carson knows, and that's why he never stops pushing, jiggling, tickling his fellow performers; we've taught him to fear our finger on the ChannelMaster, and that's why he's a nervous wreck. That's also why nothing of any permanent interest gets said on his show.

● (2130)

We can turn to the latest Chayefsky film, a film that has not reached Ottawa yet, called "Network". I would suggest very seriously, Mr. Speaker, that the Speaker of this House ought to arrange a private showing of that film for all members, because the technology has been around really for quite a long time now. There are people in this 20th century who are pretty conscious of the effect it can have and who are sounding warnings to us that we are paying no attention to at all.

Anyone who dares to stand up and say he is opposed on principle to televising this House is charged as being, at best, a red neck and, at worst, a dinosaur or Neanderthal, and those terms are used here with the suggestion that we are being dragged kicking and screaming into this century. The warnings are coming from this century, and they are coming from people who look ahead. They are truly prophetic people.

Television takes an illusion and makes it truth, and I think that's irresponsible and destructive. The worst thing is that the public takes it all seriously.

He also said:

To me, television is the symptom of something awful that could turn into something worse.

Ponder that, hon. members, because we have been told repeatedly already today that this place is something awful. But, believe me, televising it and the effect of televising this place could be something still worse, and we should remember that Chayefsky says:

I won't say television is any more corrupt than any other media of communication—movies, newspapers, even politics—but it does have a scope others lack . . . it comes right into your living room and pounds its message into your brain.

Of course the character in the film played by the late Peter Finch says:

Television is not the truth . . . Television is a—

I will bleep out the next word in true television style and continue as follows:

—amusement park. Television is a circus, a carnival, a travelling troupe of acrobats, story tellers, side show freaks, lion tamers and football players. We're in the boredom-killing business.

At this point one could fairly ask where the demand for televising the House originates. Certainly it does not originate with the general public. I asked the then President of the CBC, Laurent Picard, a year or so ago whether the CBC was under

any pressure from the public to produce this service, and his answer was a flat no. From that followed the question, what size of audience would there be, and the estimate given by Mr. Picard was less than 1 per cent. Yet we have had suggested already this evening that televising this House would reach a majority of the population at any one time. I do not believe that.

I will not discuss the issue of cost at all. If televising this place would improve its basic roles and functions in any way; if it would mean better debate and better legislation, then the cost would not be important at all. But when we know that it will not achieve any of those things, when we know it is a cynical trade-off of something the government is now willing to allow in order to prevent something else from happening to it, and that other thing it dreads so much is open government, then we should not for a moment accept this when we want that other.

There are great minds who question the desirability of televising the House of Commons. The debate we are engaged in can be intellectual on the negative side. It does deal in myths and theology and sacreds and profanes. It is time that some hon. members on all sides of this House began to sort out the myth from the reality, and began to look with some objectivity at the proposal before us that, if permitted to proceed, could well destroy this institution which is the one bastion of our democracy that remains.

Some hon. Members: Hear, hear!

Mr. Max Saltsman (Waterloo-Cambridge): While following this most interesting debate, Mr. Speaker, and I think it has been interesting, I could not help from having my mind go back to a situation that took place about 13 years ago. It was my first experience with television just after being elected when I was as green as grass, or even greener than that. I was invited to go to Montreal to attend an all-party television show that was supposed to discuss the future of political parties in Canada.

I went to Montreal and walked into this all-party show. The leading player was the hon. member for Hillsborough (Mr. Macquarrie). There was also in attendance a non-partisan chap by the name of Egan Chambers, who was a former Tory MP. The unbiased, impartial chairman was the present hon. member for St. John's East (Mr. McGrath). That was the group that met me in Montreal for this unbiased, all-party show. In thinking back on that it would seem to me I would rather take my chances with television in the House of Commons.

Let me say through you, Mr. Speaker, to the hon. member for Okanagan-Kootenay (Mr. Johnston) that I listened to his speech with interest. I have always admired the sincerity of that hon. member. He said something by which he hoped to make his point, but as I listened I thought in fact he was reinforcing my position in supporting television in the House of Commons.

That hon. member was suggesting that he wanted to speak only to his constituents. I know that hon. member, and I do not think he meant to say that or suggest that his responsibility was only to his riding, or that those of us who come here are here only responsible—

An hon. Member: He said just to those in the Chamber.

Mr. Saltsman: I know the hon. member, and I am sure he would not want to leave that impression. He said he wanted to speak directly to this Chamber and to his constituents. We are not here to speak to each other, we are here rather to speak to the nation. Our oath of office is not to our constituents or to each other. Our oath of office is to the nation. This is a national forum, and this country is in serious trouble for one reason or another, as a result of economic problems, problems in respect of confederation with provinces trying to opt out or change the terms. One of the reasons for this trouble is that too much of what takes place in this Chamber that is not noticed by the public takes place on behalf of a particular group, a particular section or a particular region instead of the nation as a whole.

Instead of coming here to try to keep this country together we come here to represent specific groups or regions when we should be trying to do as much for all the people of this country wherever they may live. I suggest regionalism is one of the sicknesses of Canada. It is too easy to make the kind of speeches I have heard in this House which are directed specifically to an individual's constituency or one group. If such speeches were read by other people in this country they would be appalled. It is too easy to clip out sections of *Hansard* and send them out to a local area, making a hero of yourself in that locale, while at the same time tearing down this country and the confederation we should all be trying to uphold.

It is about time the people of this country had an opportunity of looking at the performance of their members of parliament. Perhaps this is not the way a member wants his constituents to see him, but the people should have an opportunity of seeing the performance and behaviour of their member in this House. Let them see him directly without interpretation or the particularization that comes with selections from *Hansard*.

• (2140)

I heard the hon. member who preceded me speak about the people who are going to watch television, that there may only be one per cent, which may be true. I do not know but I suspect there may be a very wide audience if we televise the House of Commons. My wife complains to me that ever since I became a member of parliament I never take her to the theatre. I say, why should I go to the theatre, I make my living there! I am there all the time.

We tend to underestimate the vitality of this place. I know that this place can be a bore and I know it can be awfully foolish, but it is also capable of high drama and of the noblest of sentiments. I have come to appreciate and admire not only this institution but the people on all sides of the House who are in this institution. I do not know why we are afraid of exposing this institution to the public gaze. I think it is strong, I think it is worthwhile, and I think it will benefit from it. The weak-

nesses that are here can be exposed. Surely if something is strong, it can correct itself, and people will understand the weaknesses.

When my friends come to visit the House of Commons and they sit in the galleries, they walk away from this place saying to me, "Look, we never realized how dramatic and how exciting this place can be". This place can be dramatic and exciting. Real drama takes place here, such as the capital punishment debate and other debates which have taken place. These debates are an ornament to this country, and to thought in our society. I think we should provide the opportunity for people in Canada to view and to hear them, because few people do. There will be a thousand times more people than those who read *Hansard* who will get a picture of the House of Commons.

All of us who support this measure of the government at this time—and I should say that originally this was not a government measure but a private member's measure,—myself included, have for the last 12 or 13 years been putting forward resolutions to televise the House of Commons. It is not as though this just happened overnight and the government has just become aware of it. Like so many things the government does, it does perhaps the right things for what sometimes seem to be the wrong reasons. I will give the government the benefit of the doubt because this is not the time to cavil about it.

I do not want to go through the exercise of the hon. member for Grenville-Carleton (Mr. Baker). It is difficult to know whether he supports the measure or does not support it, but meanwhile he used the opportunity to lambaste the government for all kinds of things that have nothing to do with this debate.

As I listened to the debate this evening I wondered, if there had been televising of the House of Commons in effect tonight, who would have come off best. I think that my leader would have come off best because he made the most intelligent speech of the whole lot. The next one would have been the government House leader, and the last would have been the spokesman for the Conservative party because his speech would have been seen as a kind of ploy. I think that perhaps this is one of the things of which the official opposition is afraid.

I do not think there can be any doubt when I say that the government is probably doing the right thing for the wrong reason, that one of the reasons for haste is that we have a government which is in serious trouble. Their analysis has told them, and my analysis has told me, that televising the House of Commons will help the government and hurt the opposition. I am not saying that this is out of some Machiavellian aspect of television, but I think it is vitally important, even if that is the consequence of televising the House of Commons, that the television come in here, and I think it should happen quickly. I do not think that this should be dragged out and held over for a long period of time.

At no time in our history have we needed to have the House televised as we need to have it televised now. I can think, for instance, of English speaking Canadians who say to me that the government is full of French Canadians, all they have is French Canadians on that side. That is the misapprehension of many people in this country. Of course it is not so. On the other hand, you have people in Quebec saying that the whole government is run by les Anglais. It is about time that the people of this country saw what their parliament is like, saw that in fact there is representation of both French and English Canada, saw in fact the goodness that exists in both these people, and the sincerity which exists on both sides and how hard some of us are trying to keep this country together. I think that, if we televised the House, only good can come out of this important debate that is taking place in our society. The sooner we do it, because time is critical, the better the chance we have in dealing with what I think is an enormously serious problem and one that has to be dealt with as quickly as possible. I cannot think of anything that will do more to dispel some of the ignorance and prejudice with regard to what exists in this Chamber than letting the people see for themselves those who represent this country.

You may say that some of the things they are going to see will not be all that pleasant. That is fine. The Canadian people are not that weak stomached that they cannot stand it. I can only say the kind of thing that Cromwell said when somebody asked him how he was to be painted. He said, "paint me with my warts on". Let them see their parliament with its warts on. The warts are not that significant as to destroy what I think is a favourable picture of the institution which legislates in this country.

I want to come back to something I started to say about the effect that television would have, that it would benefit the government and be to the disadvantage of the opposition, at least in the initial stages. The reason I say this is that the present bias of the news media is to attack the government on every occasion and to make it look in fact worse, if that is possible, than it actually is. But the bias of the media in this country—and it is not because the government is Liberal, they would do the same thing if the government were Conservative or NDP—the actual tendency of the media now is to attack every institution that exists.

This is something that has happened in this country over the last number of years, and the only explanation I can come up with—and I am not saying it is something the media can do something about, I do not think they can because it is the nature of things—is that over the last number of years, with the decline of a number of competing newspapers, radio and television stations, the media has felt called upon to prove its purity and to show that it is not an institution, although it is the greatest establishment in this country. It feels called upon to attack, as a matter of course, every institution, whether it is the Workmen's Compensation Board, the Ontario government, the federal government, the Manitoba government, or the Department of Indian Affairs and Northern Development. There is a presumption of guilt if you are a government agency or if you are an established organization.

I suppose that one of the reasons they do it—I know many newspapermen and I have a tremendous admiration for them

and for many of the editors in this country—if you are a one newspaper organization or you are the only newspaper in town, you have to show that you are not the establishment even though in fact you are. How do you show this? You show this by attacking everything that exists. I feel that very often the newspapers—less so the television and radio—see themselves as the official opposition. It is very difficult to get any kind of statement out of here if the press gallery does not accept it as important.

It is the press gallery that sees itself as the official opposition and, to some extent, treats the opposition with contempt, treats the opposition in the way a puppeteer treats his puppet. They have to jump according to the issues they think are important. If they think scandal is going, scandal is what the opposition must talk about, even though the problem is unemployment. We in this party have seen unemployment as being a serious issue just now. Now the media is picking unemployment as an issue. We have been saying it for six or eight months while the media have been screaming scandal on their front pages. The greatest scandal in this country is the fact that there are 800,000 people out of work, and there is a government that is not doing very much about it. It is that kind of bias that exists in the newspapers, and I do not know that anything can be done about it.

● (2150)

To tell the newspapers what to print is unthinkable. That is the last thing we want, but we have to recognize what is happening to the media, and we have to recognize that *Hansard* is faceless and opinionless—it just records what we say—and this House desperately needs to have something which records exactly what is said and something which is not interpreted to tailor the headlines for a particular day or the editorial needs of a particular medium. This resolution will favour the government because the government, bad as it is, never looks as bad here as it looks in the press.

Judging by the press one would think the government never did anything right. I at least concede that occasionally it does something right, but one would never know it from reading the press. I seldom feel too terribly sorry for the government, but there have been occasions when I have. There have been occasions when charges have been made by the opposition, or by writers and reporters, and the minister involved has come out with what I thought was an irrefutable argument against those charges. Whereas the charges were banner charges, the refutation of the minister might have taken a paragraph on page 17: "The minister says that is not so", and they print only part of what the minister had to say.

I think our society is in danger of tearing itself apart. There can be such a thing as institutionalized criticism or institutionalized bias against the things which hold this country together, and those cements are not all that powerful. There has to be some way of enabling each side to be heard, each side to stand on its own—the public has enough intelligence to examine, and people do not need any editorial comment to go with it—and that is what television will do for this House.

[Mr. Saltsman.]

From what I have been able to read, one of the reasons *Hansard* was brought into the British House of Commons was that while reporting was not allowed, just as television is not allowed in this Chamber, reporting in fact always took place whether allowed or not. The problem was that the reporting was not responsible, it was inaccurate, and it was biased. The British House realized reporting would take place anyway, so they wanted it at least to be factual, and that is how we got *Hansard*. Televising the House of Commons would be an extension of *Hansard*.

I would like to use a quote I found in something called "The Procedure of the House of Commons" by Joseph Redlick, 1908. It reads as follows:

> The great Dr. Johnson was one of the regular reporters: he gave accounts of parliamentary affairs in the leading periodical, *The Gentleman's Magazine*, under the mask of proceedings of the Senate of Lilliput or of Rome.

Then in a footnote the author puts this down:

> Dr. Johnson afterwards confessed that he had himself composed many of the parliamentary speeches published by him, or at all events had freely ornamented them as he thought fit. In doing so he claimed to have held an even hand between the two parties: at the same time he declared that he had "taken care that the Whig dogs should not have the best of it."

Mr. Dionne (Northumberland-Miramichi): Newspapers haven't changed much, have they?

Mr. Saltsman: Well, at one time I would have put it a different way. There was a time not so long ago when there were more newspapers in places like Toronto or some of the other cities when in fact there was a biased Liberal press and a biased Conservative press. Those of us in the NDP or the CCF were fully aware of what kind of press we used to have, and in fact, just like the House of Commons, the Liberal press would go exactly for the Liberal line, the Tory press would go exactly for the Tory line, but at least there was some kind of balance in that. At least we knew where they stood. There was a time when I first came here when there were what were known as government reporters who had the inside track with the government and who took handouts from the government. I suppose where there was biased press or partisan press, that is what it was about. If the government had a story to leak, it was not leaked to the television networks; it was given to one of its inside reporters, and it suddenly showed up as an exclusive.

If there was a Conservative government, the story would show up as an exclusive in a Conservative newspaper; if there was a Liberal government, it would show up as an exclusive in a Liberal newspaper. Those days have passed because of changes in newspaper ownership and because of the change in the nature of the media, and we have to recognize that. For all the evil in that old system—and it was a pretty evil system in the sense that newspapers were either for this party or that—at least everybody knew what the colours were. If people did not like what one newspaper had to say, they could go to another one, or they could buy them both and make a comparison, although in fact few people ever did. They simply bought the newspaper which happened to reinforce their own particular prejudices and stayed with it rather than look for an unbiased position. However, in fact the thing which may save

this House—because this institution is in trouble, just as the country is in trouble—is televising it.

If things go wrong with televising, they will change. I do not want to go into technique. I do not know what the technique will be. I presume it will be to focus on whoever happens to be speaking rather than to look around to see who in the back row is picking his nose or something like that.

An hon. Member: Disgusting.

Mr. Saltsman: I presume, Mr. Speaker, you would not permit that kind of editorializing, although I might add that I do not know of any hon. member who would do such a thing.

Mr. Broadbent: On this side of the House!

Mr. Saltsman: On this side of the House.

Some hon. Members: Oh, oh!

Mr. Saltsman: I was going to say something worse, but I could not think of anything worse at the time.

The House will change, and so it should. I know some of my hon. friends are concerned that some members are going to ham it up for television.

Mr. Hnatyshyn: They might grow a beard.

Mr. Saltsman: Some people may grow a beard in order to look more photogenic. I have met many members of parliament, and with the greatest of respect to my colleagues and to my friends, I have to say that there is not one of them who does not have a little ham in him, whether it is an editorial ham or a flare for writing or a flare for phrase making. What will change, or course, is that *Hansard* and newspaper reporting give an edge to those who can use the written word, and television will give an edge to those with blue eyes. Mr. Speaker, may I call it ten o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

INDIAN AFFAIRS—RELOCATION OF DEPARTMENTAL OFFICES IN HULL—CONSULTATION WITH NATIVES

Mr. Cecil Smith (Churchill): Mr. Speaker, on December 1, 1976, I asked the Minister of Indian Affairs and Northern Development (Mr. Allmand) if his department was planning to move its offices from Ottawa to Hull in the near future and, if so, whether Indian people were consulted about the move. In reply the minister confirmed that the move was imminent, that it was a Treasury Board decision and that he did not think the plan was made in consultation with Indian people. This government preaches consultation but promotes confrontation with the Indian people. I am sure that the minister is aware of the fact that there is a strong feeling among the Indian people that the offices should remain in Ottawa.

At a meeting between the National Indian Brotherhood and the minister on November 19 he was made aware of the position of the brotherhood on the matter, the position being to have the offices remain in Ottawa. The minister promised to discuss this with the Minister of Industry, Trade and Commerce (Mr. Chrétien). To date there has been no further communication with the National Indian Brotherhood about this matter.

Why is there a strong feeling about the office remaining in Ottawa? First, under 4 per cent of Indians in Canada are French speaking. Second, government has had an ongoing commitment to employ Indians within the Department of Indian Affairs and Northern Development. Given that there is more than a reasonable possibility that the department, once relocated in Quebec, will experience more pressure to have all its employees bilingual, an even greater barrier will be created for Indians who want to work for the department. There will be an even greater emphasis that Indians be trilingual in most cases. This is so, as most Indians in Canada today are already fluent in both an Indian language and English. The bilingualism program already requires a third language—French. If the department moves into Quebec, given its present atmosphere, the pressure will be even greater. Thus a system already by nature unfair to Canada's Indian population for the most part will be further intensified, resulting in even fewer Indian employees at the Department of Indian Affairs and Northern Development and, accordingly, fewer programs and policies designed to meet the needs of the majority of Indian people.

● (2200)

Third, the government has a commitment to have continuous, ongoing dialogue with the Indian people of Canada. It is only in the last few years that Indian people have begun to come to Ottawa for talks with government. Now, at long last, the Department of Indian Affairs and Northern Development is more centralized with most of its offices located at the Centennial Tower Building at 400 Laurier Avenue, West, and at the Journal Building at 365 Laurier Avenue, West. These places have become familiar to the Indian people. I fail to understand how a move to Hull can be considered—a move that would jeopardize the kind of involvement of Indian people that the department should be promoting.

Fourth, the organizations and other departments that the Department of Indian Affairs and Northern Development and the Indian people are most closely involved with are in Ottawa, and all within walking distance of each other—for example, the National Indian Brotherhood at 102 Bank Street; the Inuit Tapirisat at 222 Somerset Street, West; the Native Citizens Directorate, Secretary of State Department, at 66 Slater Street; and the Office of Native Employment, Public Service Commission, at L'Esplanade Laurier, and, of course, the loca-

tion of the parliament buildings is also in close proximity to all of these.

The final argument is, of course, the cost. It is no secret that relocation of a department the size of the Department of Indian Affairs and Northern Development is a costly venture. It means moving approximately 3,000 employees, two thirds of whom occupy offices or cubicles in either the Centennial Tower Building or the Journal Building. It does not take a financial expert to calculate that the amount that will be expended on such a move will be exorbitant. At a time when Indian bands are being daily refused their requests for funding of essential programs at a time when the school construction program is years behind, at a time when Indian housing is at its poorest, the federal government still has enough money to relocate the Department of Indian Affairs and Northern Development without even considering the needs and desires of Canada's Indians.

There is no argument to support the conclusion that a move to Hull of the Department of Indian Affairs and Northern Development will result in any benefit for Indians. Will the programs improve? Will the policies and programs be more relevant to Indian needs? Will there be greater opportunity for Indian involvement, Indian input, or Indian employment? I think not.

We have heard that the justification for moving the Department of Indian Affairs and Northern Development to Hull as perceived by the federal government is that this move is part of a massive decentralization policy. The Department of Veterans Affairs is going to Prince Edward Island. The Department of Indian Affairs and Northern Development is going all the way to Quebec—or should I say just one mile away, across the river to Hull. This is ridiculous—a farce!

How were these key departments chosen? Who decided which ones should move? Whoever was charged with the responsibility should have realized that a department as unique in nature as the Department of Indian Affairs and Northern Development—a department which serves one key segment of the population—Indians—warranted much more consideration than was afforded it.

If the minister fails to acknowledge this concern, I feel he is acting irresponsibly toward the Indian people—the people his department exists to serve. It shows that this government is saying "to Hull with the Indians".

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, it is with pleasure that I reply to the hon. member for Churchill (Mr. Smith). The decision to move the headquarters of the Department of Indian Affairs and Northern Development over to Hull has been taken by the Treasury Board on advice from the Department of Public Works. This decision is part of a plan to achieve a better balance in the distribution of public service employees and facilities in the National Capital Region, more particularly, between the cities of Ottawa and Hull.

[Mr. Smith (Churchill).]

At the moment the Department of Indian Affairs and Northern Development has its headquarters accommodated in eight different buildings in the city of Ottawa. There has been a need to consolidate those offices for some time. The Treasury Board has decided that the department was a logical candidate for the moving of its headquarters into the new facilities that are being built in Hull.

In answer to the hon. member, neither the Indian people nor the department have been consulted about the move, but they have been informed of the decision. The minister has taken up the matter of the moving of the headquarters of the Department of Indian Affairs and Northern Development over to Hull with the President of the Treasury Board (Mr. Andras) to ask him to reconsider the decision. This was done as a result of adverse reaction to the move which came principally from the National Indian Brotherhood and Inuit Tapirisat of Canada which are both based in Ottawa. It was done also because of objections voiced by some provincial Indian associations that the minister had occasion to meet during the last four months.

It strikes me that, given the location of both the National Indian Brotherhood and the Inuit Tapirisat of Canada, and the need to increase the frequency of face to face encounters between senior officials of their organizations and of the department, Treasury Board would want to reconsider this decision. In addition, because of the number of Indians who are located in Ottawa for purposes of pursuing higher education and seeking employment, and who need periodic assistance and counselling, the department might find it necessary to set up some offices here and employ additional staff if the departmental headquarters moved over to Hull.

The hon. member who raised the question will note that action is being taken. We hope that some reconsideration will be given to this by the President of the Treasury Board.

SEARCH AND RESCUE—REPORT OF TASK FORCE—DATE OF PUBLICATION AND POSSIBLE TABLING

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I am pleased to have the opportunity to bring to the attention of the House during this late show the question of the implementation of search and rescue operations in the province of Newfoundland, a matter which I brought to the attention of the Minister of Transport (Mr. Lang) on November 15. I am pleased to note that the Parliamentary Secretary to the Minister of National Defence (Mr. Dionne) will be replying because this really has more to do with that department.

While I have raised this matter on many occasions, I want in the short time allotted to me tonight to point out some fundamentals that are being completely ignored by those responsible in government to implement a surveillance and control capacity that will be required by Canada if we are to achieve the objectives for which we should strive in relation to our declaration to extend our fishing zone to the 200 mile limit.

As a result of the thrusts of my colleagues and myself over the past few months in an effort to get the government to deploy elements of the search and rescue capability, we have as yet only convinced the government to station one or two helicopters in Newfoundland on a semi-permanent basis, and other hardware in Gander.

While we are appreciative of the fact that the government listened, we are far from achieving what should be the requirements for protecting our 200-mile zone because the additional deployment announced is evidence of the lack of fundamental military knowledge in defence tactics which can be related to surveillance and patrol.

The extension of a 200-mile zone prompts the realization that Canada will be responsible to provide surveillance over some 600,000 square miles of coastal waters, a massive task that requires an extensive effort in funding and hardware, as well as logistic capability.

● (2210)

The land mass that will be in the forefront to provide the surveillance of foreign vessels in the province of Newfoundland and I am amazed that neither our Minister of National Defence (Mr. Danson) nor his officials realize what is involved. The height of their ignorance—I do not want to use that word, but I have to—is that any line of defence, to use a basic military term, cannot be confined to a small portion of the area to be defended and I ask that those concerned should look at a map of Newfoundland and of Canada and of the Atlantic region to see the phoneyness and lack of appreciation of fundamental basic training that are evident. In this regard I refer to the fact that the Minister of National Defence looked at the matter from a purely phony political standpoint rather than a strategic one, by not including in the deployment of necessary equipment the western sector of the province of Newfoundland. But what is more despicable to me is that I pointed this out to him in a co-operative manner, and in spite of promises made to me, I have been completely ignored, and this is evident, that even though I have been promised a hearing with top officials, it has been denied.

On the west coast of Newfoundland the sector of the province that I represent in this House, there exists a vacated strategic base, which was occupied during World War II by the Strategic Air Command of the American Air Force, which still offers every logistic support for a search and rescue base of operations. It has more than adequate fuel capacity, hangar space, housing accommodation and technical capability, not to mention the fact that it was considered during World War II to be strategically sound enough in the defence of our nation to warrant the expenditure of multi-millions of dollars to support the defence of North America. And yet the Minister of National Defence chose to ignore the economic benefits to station an element of the force in that area, but rather bowed to pressure on a political basis.

What I detest, however, Mr. Speaker, is that I was promised, verbally in discussions with the minister, a hearing to put my case before senior officials of the Department of National Defence. It is also hard to understand that at this late date the report of the Canadian Coast Guard task force review of the national search and rescue policy revision has not even as yet been tabled for debate, in spite of repeated assurances that it would be submitted to Cabinet six months ago.

I have tried, Mr. Speaker, in my representation over the years to be reasonable, but it is now finally obvious that I am barking in the wind, and I use "barking" advisedly, and regardless of the three minute reply which I am about to receive I can only deplore the attitude of not only the minister but also his Chief of the Defence staff, the great pretender, who in his declarations of national defence is just as phony as his minister, and I can only repeat what I said in a motion to this House, that they should both be dispatched to the nearest basic training centre for a refresher course not only in basic training but also in common courtesy and sincerity in their obligations to the nation which they represent.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I am pleased to have this opportunity to reply to the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). I will try to deal with the main points that he raised in his question. I might point out that I am replying tonight on behalf of the Minister of National Defence (Mr. Danson) rather than the Minister of Transport (Mr. Lang). Since the question was originally asked by the hon. member on November 15 the Minister of National Defence has been made responsible for all aspects of search and rescue, so my minister is now responsible for answering all questions on search and rescue.

However, it seems to me that the hon. member is confusing search and rescue with surveillance of the 200-mile limit. I respectfully suggest to him that he should make representations to the minister and to departmental officials with regard to the abandoned base at Stephenville and with regard to the surveillance capability which the department, in conjunction with the Department of Fisheries and the Environment, will be establishing for the surveillance of the expanded coastal zone.

I must, however, take exception to the statement that the minister and his officials do not understand what is involved. From personal knowledge and experience I am well aware that they do understand what is involved. They are working actively and seriously to see that the involvement is fully met both by men and equipment from within the armed forces and other departments that will work in conjunction with national defence in search and rescue, and eventually in surveillance work.

It disturbs me to hear the hon. member say that he has been ignored by the minister and departmental officials. I do not understand how that came about and I want to assure him that I will certainly bring that part of his comments to the attention of my minister at the earliest opportunity. I have found the hon. member to be a rather serious and objective member of the opposition and I would hope, in fact I know, this is some oversight for which there has to be a genuine explanation.

The department has established a search and rescue centre at Gander. The main reason is that Gander has the facilities to accommodate that armed forces unit and it is also the most open area of the province of Newfoundland in regard to weather. It is the area from which helicopters take off and land most efficiently during the largest number of days of the year.

The Acting Speaker (Mr. Ethier): Order, please. The time allotted to the parliamentary secretary has expired.

FINANCE—REQUEST FOR TABLING OF FIGURES SHOWING SALES OF UNITED STATES DOLLARS DURING LAST TWENTY DAYS—NET CHANGE IN FOREIGN EXCHANGE POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question tonight on this adjournment debate arises from a question put by myself to the Minister of Finance (Mr. Macdonald) on December 10, reported at page 1869 of *Hansard*. At that time I asked the minister if he could produce certain figures that would show the true exchange position of Canada with regard to the outflow of foreign funds which resulted from the Canadian dollar falling quite dramatically in the latter part of November. In my question I asked:

> As figures released last week reveal that $803 million of our U.S. dollar reserves, about 23 per cent of the total, was used in late November to resist a fall in the Canadian dollar . . . would the minister table the daily trading figures and forward positions for the past 20 trading days so that we might better understand the magnitude of the drain on our dollar, for which there is a 1962 precedent inspired by his predecessor, Mr. Turner?

The general reply of the Minister of Finance was that he felt that the publication of such figures would not be in the best interests of Canada. The reference that I made to Mr. Turner appears in *Hansard* on October 18, 1962, page 673. At that time Mr. Turner, faced with a similar position when he was being denied the daily trading records of the exchange fund, made quite an impassioned plea—in fact, it was his maiden speech in the House—in which he pointed out that he had asked for an order asking for the daily trading figures. He stated that notice for production of the figures had been delivered, and he then said:

● (2220)

> The Minister of Finance, when he replies to this motion, may say that the figures I am seeking are privileged because it is the custom of the Bank of Canada to publish these figures on a monthly basis only.

In short, Mr. Turner was well aware of the fact that the then minister of finance, used the same old stock argument the present Minister of Finance uses, but Mr. Turner went beyond that in pressing his case when he said:

> —I suggest to Your Honour that the rest of us are entitled to go through and to inspect the tables and the figures in question. If the situation were otherwise the Minister of Finance, the Prime Minister and the government as a whole would be suggesting for this House a double standard, namely, one standard for the government and another for the opposition and the rest of the members of this House.
>
> [Mr. Dionne (Northumberland-Miramichi).]

Mr. Turner went on to make his case by stating:

> —the purpose of the question now being considered is not merely to secure production of figures necessary to the public but also to protect the rights of parliament itself and every hon. member.

In this respect I would suggest that Mr. Turner when speaking was quite accurate. Unfortunately we are now faced with a situation in which, as I pointed out, on November 19 in this House during debate on the income tax legislation that is still before the House, there may be arguments afoot concerning exchange matters. Let me refer Your Honour to page 1204 of *Hansard* for November 19 where I pointed out that we should be able to have a full review of the exchange fund in relation to Bill C-5, which dealt specifically with the exchange fund. I stated that:

> I hope he will change his mind, come to the committee, and give us the information to which we are entitled—

I was referring to the Minister of Finance. I went on to state:

> There are many rumours in the business community today and I think it is high time the minister set the record straight.

The minister got very haughty then and said:

> Rumours of what?

I then suggested to the minister that if he had come to the committee meeting the day before I could have put the stories to him and he could have had the opportunity of answering them. We now know the rumours to which I was referring. The hard fact is that the Canadian dollar was placed under perhaps the most severe pressure, so far as our exchange situation is concerned, of any time in our history.

I think this is particularly pertinent when we bear in mind that Mr. Turner referred to the publication on a daily basis of exchange figures over the period from April 9, 1962 to June 22, 1962. This was in reference to a debate that had taken place and was almost a focal point of the June 18 election of 1962. Those that now govern in this country were then in the opposition and they made a great show over what they regarded as a major exodus of funds. This was certainly one of their key issues during that election campaign.

The hard fact is that when the figures were finally tabled in this House showing day-by-day what had been the exchange position it turned out that from April 9 to June 22, 1962, the total exodus amounted to $461.7 million. Within a few days, as I have already indicated, in November of this year there was something in excess of $800 million that went out, yet the Minister of Finance refuses to give this House an accurate reflection on a day-to-day basis of exactly what the story was in November and, more important, what it was in December.

Monthly figures were published for December showing that there was a major inflow of exchange reserves during that month. There are now new questions as to where in fact that inflow came from, and did the government in fact engage in a futures operation in order to cover a position that had developed during November?

In short, there is absolutely no reason why the government should not publish, after the fact, the day-to-day figures

showing the exchange position for Canada, and that is what we are asking.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am glad to have the opportunity to speak on this subject. It is one of interest to me. I want first to reject the notion that this is an issue involving the public's right to know. Of course it is easy to make the case that hundreds of millions of dollars are involved here in assets and the people have a right to know the arguments. In fact, they are delivered the monthly figures that reflect what has happened, and the Canadian people are in a position to judge the stewardship of the Bank of Canada and the Government of Canada over these tremendous funds and assets. But the hon. member himself indicated in his question the very kind of difficulty that will result, the kind of misinterpretation that will take place even among Canadians who are as well informed as is the hon. member opposite.

He referred to the allegation which turned out not to be true, as he subsequently illustrated, that the Canadian dollar for a period was under tremendous pressure. He said—I believe I am quoting him accurately—that it was under the greatest pressure that it had ever been in our history. Then, a few sentences later, he referred to the fact that in another few days there was a tremendous inflow of sums. He has the December statement and he knows there was a tremendous inflow of sums. If you take a photograph at the end of the day and you see hundreds of millions of dollars flowing out, it is like focusing only on the day and it can be misinterpreted that the Canadian dollar is fundamentally very weak, that we are in a great deal of trouble and that something has happened that will have important implications over a long period. Then, a few days later hundreds of millions of dollars are flowing back in, as the statement at the end of December shows.

I think the Canadian people ought to know what happens to these hundreds of millions of dollars, but I would argue that they do find out on a monthly basis and they can judge the stewardship of the government and of the Bank of Canada of these enormous and important reserves. To look at it on a daily basis can only result in hysteria by some people, and in efforts by opposition parties and other critics who exaggerate and distort the events that have taken place to draw totally unjustified long-term interpretations that are subsequently shown by events to be not at all what they appear to have been at the beginning. It is important that the Canadian people be told fully what the balance of transactions is. This should not be otherwise.

I have one more concluding sentence, Mr. Speaker. If any strategy at all is to be followed by those responsible for our exchange transactions, if any policy is to be followed at all, there has to be some manoeuvrability and freedom from the kind of interpretations which result from daily or hourly news reports.

The Acting Speaker (Mr. Ethier): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until 2 p.m.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, January 25, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

PROPOSED SUSPENSION OF AID TO CUBA PENDING INVESTIGATION OF SUBVERSIVE ACTIVITIES—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity. In view of the continuing revelations of the deceit being practised by Cuba involving the unannounced expulsion—and I emphasize "unannounced expulsion"—of a number of Cuban diplomats last June, including the second in command in the Cuban embassy in Ottawa, Mr. Alfonso Perdomo, whose improper activities were connected with certain subversive attempts in our foreign aid program and notwithstanding the recent expulsion of Cuban diplomats from Montreal, I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That this House condemns these improper and reprehensible acts and that all aspects of aid and trade with Cuba be investigated by the subcommittee of External Affairs dealing with CIDA while at the same time further aid to Cuba be suspended until the situation is resolved by that committee.

Mr. Speaker: Such a motion pursuant to Standing Order 43 can only be presented to the House with its unanimous consent. Is there unanimous consent?

Some hon. Members: No.

* * *

PUBLIC SERVICE

SUGGESTED COMMITTEE INVESTIGATION OF DISMISSAL OF WALTER RUDNICKI AND ALLEGED BLACKLISTING OF CERTAIN EMPLOYEES—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I too rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the statement by the Prime Minister on October 13, 1976 that he would look into the matter of the dismissal of Walter Rudnicki and of the alleged blacklisting of civil servants, and in view of the fact that to date this House has received no explanation whatsoever of these very serious allegations by a former senior civil servant, and in view of the potential for a serious violation of civil liberties reminiscent of the McCarthy era, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this matter be referred to the Standing Committee on Justice and Legal Affairs, with power of subpoena, so that a full and thorough investigation of these most serious charges by Mr. Rudnicki be carried out and that any list of names not be released publicly by this committee or anyone else in view of the serious damage that could occur to persons who would be on that list and have no opportunity to defend themselves and who could be smeared thereby.

Mr. Speaker: Pursuant to Standing Order 43 such a motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Some hon. Members: Agreed.

* * *

[*Translation*]

FINANCE

SUGGESTION BANK OF CANADA MAKE LONG-TERM LOANS TO PROVINCES—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the humiliating reliance of the economy of all Canadian provinces on our southern neighbours' high finance, in view of the fact that this reliance causes great harm to the advancement of this country, and since quite concrete solutions could be brought by this parliament, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That the government allow the Bank of Canada to make long term loans to the provinces so they be able to meet their administrative duties.

Mr. Speaker: Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

[*English*]

MANPOWER

FAILURE TO INCLUDE BRITISH COLUMBIA IN CANADA WORKS PROGRAM—MOTION UNDER S.O. 43

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I rise under the provisions of Standing Order 43 to raise a matter of urgent and pressing necessity arising out of the failure to include any constituency in British Colombia in the list of those eligible for the $30 per man-hour week allowance for material costs in the new Canada works program. I move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

That this House ask the Minister of Manpower and Immigration for an explanation of this failure to extend the supplementary program into the province of British Columbia thus adding one more to the long list of federal programs that do not reach across the Rockies.

Mr. Speaker: Such a motion can be presented to the House pursuant to Standing Order 43 only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

ENERGY

REQUEST FOR EXTENSION OF HOME INSULATION PROGRAM TO CONSERVE ENERGY—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The matter of urgent and pressing necessity concerns the announcement by the Minister of Energy, Mines and Resources (Mr. Gillespie) several weeks ago that special programs of assistance were offered to the province of Prince Edward Island amounting in value to $11.5 million, and to Nova Scotia amounting in value to $63 million, to help with home insulation and to help industrial and commercial users conserve power, which offer of federal assistance was made to those provinces only on the basis that these were the provinces most highly dependent on oil-fired steam power for electrical energy production and therefore most requiring special assistance.

Since the net generation of electricity from now on in the province of Newfoundland and Labrador must be by thermal means, since the cost of heating oil in Newfoundland is substantially higher than in Prince Edward Island or Nova Scotia, and since the economic position of Newfoundland residents considering per capita personal income, the cost of living and other factors is at about the same level as that of citizens of Prince Edward Island but considerably lower than that of citizens of Nova Scotia so that their needs are even greater with respect of energy and other costs, I move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

[Mr. Speaker.]

That this House urge the government to cease discriminating against eight of the ten provinces of Canada by offering to all the provinces of Canada and the citizens thereof the special programs of assistance with reference to home insulation and assistance to industrial and commercial users to conserve power now offered to Prince Edward Island and to Nova Scotia, so that all citizens of Canada will be treated equally rather than suffering from the present discriminatory policy.

Mr. Speaker: Order, please. Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL HOLIDAYS

REQUEST FOR EARLY PASSAGE OF BILL ESTABLISHING NATIONAL HERITAGE DAY—MOTION UNDER S.O. 43

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

That this House urges the government House leader to call Bill C-30 for second reading not later than during the week commencing January 31, in order that parliament can reach a decision on this bill in sufficient time so that National Heritage Day can be observed on Monday, February 21, of this year.

Mr. Speaker: Order, please. Such motion pursuant to Standing Order 43 can be presented to the House for debate only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

SUGGESTED CONSERVATION OF ENERGY BY RECYCLING OF WASTE PAPER—MOTION UNDER S.O. 43

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my motion under Standing Order 43 is prompted by the delivery this week to offices on Parliament Hill and elsewhere in Ottawa of telephone directories of Bell Canada, and of the government service, creating therefore tons of excess waste paper to add to those produced daily. I therefore move, seconded by the hon. member for Okanagan-Kootenay (Mr. Johnston):

That this House take positive measures to urge government departments and industry to take immediate steps to conserve wasting forest and energy resources, by using more recycled waste paper in paper production.

Mr. Speaker: Order, please. Such motion can be presented to the House for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

FORECASTS OF RATE OF GROWTH—EFFECT OF GROWTH ON INFLATION—POLICY FOR DECONTROL AND POST-CONTROL PERIOD

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. Now that the minister has had time to review the 1977 economic forecasts of the Conference Board and the OECD, which indicate that our real economic growth will slow this year to the 3 per cent or 3.5 per cent range, down over 30 per cent from last year's growth rate, last year having been a rather slow year itself, can the minister advise the House whether he agrees with these forecasts and, if not, what is his own forecast for real growth in 1977?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, of course we will take into account forecasts of these kinds, along with others. My own statement on behalf of the government will be made in the context of the budget.

Mr. Stevens: A supplementary question, Mr. Speaker. As some reputable forecasting institutions, the Conference Board and Wood Gundy for example, have predicted that slow growth rates will continue into 1978, can the minister tell the House whether a slow growth policy with its resultant unemployment is part of his strategy for controlling inflation, bearing in mind that the working paper "The Way Ahead" has argued that growth itself may be a contributing factor to inflation?

Mr. Macdonald (Rosedale): Mr. Speaker, the government has stated its policy many times; it seeks to overcome the problem of inflation which has been plaguing the Canadian economy for the last several years while attaining the levels of growth necessary to meet the aspirations of Canadians. I, of course, will have an opportunity to elaborate on those particular guidelines during the course of the budget statement.

Mr. Stevens: Mr. Speaker, may I direct a final supplementary question to the Minister of Finance? Considering that the minister has made statements outside the House about possible administrative mechanisms which may be put in place when the economy is decontrolled, can the minister now tell the House what his tentative proposals are? Specifically, is the minister contemplating a price monitoring mechanism after controls and is he proposing any national consultative conference to set policies in any decontrol period?

Mr. Macdonald (Rosedale): Mr. Speaker, I have engaged in discussion with members of the private sector across Canada with regard to the decontrol and post-control period. I also expect to meet both the executive of the Canadian Labour Congress and the provincial governments next week for the purpose of discussing the decontrol possibilities and those in the post-control period.

* * *

INDUSTRY

DATE OF INTRODUCTION OF PRODUCTIVITY INCENTIVES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. As the Prime Minister has been assuring me continuously over the past two years that the government would be introducing "soon" a program of productivity incentives to be made in direct proportion to the increase in productivity so that we can lower costs and selling prices, increase volume and provide more jobs, can the minister now advise the House when such a program will be announced?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Soon, Mr. Speaker.

[*English*]

Mr. Hees: Mr. Speaker, as the minister's answer obviously has no more validity or meaning than the answers given by the Prime Minister over the past two years, I would ask him this question. Does he ever get a headache from keeping his head in the sand so much of the time?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

* * *

CANADIAN NATIONAL RAILWAYS

POSSIBILITY OF SALE TO PRIVATE ENTERPRISE—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Transport. Will the minister confirm to the House the government's intention to turn over the CNR to private enterprise. If so, will he tell us what the government means by this? Does it mean specifically that any section of the CNR that is operating at a profit will be sold off in whole or in part to private investors?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, any formal decision by the government with regard to selling shares in any part of its Crown corporations to the public will of course be announced in a more appropriate way at the time such a decision is taken. What the government has done to this point is indicate to corporations like CNR and Air Canada

that it wishes them to operate with the best possible management, directing themselves toward making a success of their enterprise and, therefore, in that sense paralleling the kind of operation which would go on in the private sector. We also indicated that where we believe a special duty should be imposed upon such a corporation we ought to quantify the cost of that special duty and pay for it so that it does not have to be melded by the Crown corporation into the fare structures or other rates charged to individuals in the operation of its business. These things together clearly, if directed to a Crown corporation along a path which at some time could lead to a consideration of whether some shares in some parts of it might be sold to the public, is a flexible way of financing as is done of course in other competitive sectors in the private sector.

Mr. Broadbent: Mr. Speaker, the minister took a long time not to answer the question. Considering the fact that CNR came into being just after World War I because a number of private railways went broke and wanted the people of Canada to bail them out, and considering that even the profits that CNR allegedly is going to make in 1976 are dependent upon a $200 million subsidy from the people of Canada, will the minister assure the House that the government will not as a matter of policy sell off part of our great national railway system to the private sector after countless decades of subsidy coming from the people of Canada?

Mr. Lang: Mr. Speaker, that sounded more like an elaborate argument than a question. I presume the hon. member is not critical of the fact the railways were taken over at the time they were bankrupt and put together in one particular operation. Perhaps that demonstrates it was not for any great purpose of having a railway that we ended up in the railway business but because there was no other way than to bail out a particular series of railway operations. What the hon. member fails to notice is that the people of Canada as shareholders of a corporation like CNR may indeed benefit greatly if it has the flexibility in raising funds to not only borrow but to sell some shares in subsidiaries which, after all, is done by its major competitors.

● (1420)

I take it the hon. gentleman does not assume that when a corporation like the CPR or other large corporations sell shares in subsidiaries they are somehow giving something away to the public or to the buyers of those shares. They are entering into a commercial transaction for the good of the overall operation and the shareholders, and if anything were contemplated with regard to a Crown corporation it would be for the same reason— the good of the Canadian people who are the shareholders.

Some hon. Members: Hear, hear!

Mr. Broadbent: If the minister is assuring the House that however the government plans to change the financing operations of the CN not one penny will be lost to the taxpayers by way of funds going out to private investors entering at this late point, we accept his answer. But so that we may gather the general intention of the government's overall policy, will the hon. gentleman assure us that in terms of other great public enterprises in this country—I am thinking, for example, of Air Canada—the government has no intention of selling off parts of these operations to the private sector, directly or indirectly, once they become wholly profitable?

Mr. Speaker: Order. That is a repetition of the previous question.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST FOR ELIGIBILITY OF WORKERS IN SMALL INDUSTRIES

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

In view of the present dissatisfaction felt by some categories of unemployed who are told that they are not eligible for unemployment insurance, can the minister tell the House whether he intends to take the necessary steps in the very near future to remedy the situation with regard to the eligibility for unemployment insurance in some sectors such as agriculture, construction and commerce in general? I would like to specify that I am thinking here of the worker whose father owns an industry or a farm, and of the possibility for the father to insure those of his sons who work for him.

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): I am not certain I understand the representation made by the hon. member—whether he is referring to training in particular skills or a particular enterprise or not. But I will examine the question, and reply.

* * *

PUBLIC SERVICE

ALLEGED BLACKLISTING OF CERTAIN EMPLOYEES—ACTIONS OF MINISTERS IN CONNECTION THEREWITH

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Minister of Transport. Would he inform the House whether at any time he received for his own personal perusal and action a document and list which was identified as an extra-parliamentary opposition list, and if so what action did he take to comply with the suggestions made on that list—actions against persons who are in the employ of the Canadian government and others?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have never heard of or seen such a list.

Mr. Oberle: I should like to direct a supplementary to the Minister of Supply and Services. Did he at any time have cause, in response to information which he might have received

from the security service of either the Department of the Solicitor General or the RCMP, to construct such a list identified as an extra-parliamentary opposition list, and did he at any time circulate such a list among his colleagues in cabinet?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, security within the government is not the responsibility of the Minister of Supply and Services.

[*English*]

Mr. Oberle: The next question should obviously be directed to the Solicitor General. I should like to ask him whether he had cause to examine or structure a list such as I have mentioned, a list identified as an extra-parliamentary opposition list? May I ask him on what information he acted in constructing such a list; whether he has ever received such a list from his predecessor in office and whether such a list has been circulated among senior cabinet ministers?

Miss Bégin: Senior or junior ministers?

Hon. Francis Fox (Solicitor General): I have not had cause to circulate the type of list referred to by the hon. member. Perhaps I should admitt—

Some hon. Members: Oh!

Mr. Fox: —perhaps I should explain, Mr. Speaker, that in cases where people within the public service take positions where security clearance is required, a departmental security officer will ask for security clearance of the individual involved and that is the extent of the matter.

ALLEGED BLACKLISTING OF CERTAIN EMPLOYEES—REFERENCE TO LETTER DATED JUNE 15, 1971

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to ask the Solicitor General very directly if he has seen such a letter under date of June 15, 1971, signed by his predecessor in office, and what sort of procedures were used to group names together in the context of an extra-parliamentary opposition group and under whose control and supervision was this done?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I am unable at the moment, without going over the files in detail, to check out everything that the hon. member has said, and to reply in breadth and depth to his question.

* * *

ENERGY

REQUEST FOR EXTENSION OF HOME INSULATION PROGRAM TO CONSERVE ENERGY

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. The minister announced in December a special assistance program for P.E.I. and Nova Scotia amounting to $63 million and $11.5 million to assist citizens with insulating their homes and also commercial and industrial users. In view of the fact that the net generation of electricity in Newfoundland now is all from oil-fired steam, that the cost of living and per capita incomes are higher and lower than, and the people of Newfoundland have a need just as great as, people in other provinces, can the minister tell the House whether the government will extend that program to all other provinces of Canada, in addition to P.E.I. and Nova Scotia? If not, why not?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am very pleased to learn that the hon. member, by implication, agrees with the importance of the conservation reinsulation program which is offered to the two provinces of Nova Scotia and P.E.I. It is a program that I would very much like to be able to offer to all provinces if we had the funds to do so. The hon. member must know that the reason it was offered to these two provinces is that they are more dependent on oil for their electrical generation than any other province. Indeed, in the case of P.E.I., 100 per cent of their electrical generation comes from oil; in the case of Nova Scotia it is 66 per cent, which is double, I am told, the percentage of the next nearest province.

Mr. Crosbie: A supplementary question, Mr. Speaker. Does the Minister of Energy, Mines and Resources realize, or would he agree, that the fact that—

Mr. Speaker: Order, please. That preamble sounds very much as though the hon. member is heading for an argument instead of asking a question. Perhaps the hon. member would put a question.

Mr. Crosbie: Did the hon. gentleman take into consideration the fact that the average temperature in Newfoundland and Labrador is lower than in P.E.I. and Nova Scotia, that 70 per cent of the households in Newfoundland are oil-fired households, and that the average family expenditure on heating in Newfoundland is higher than in Nova Scotia and P.E.I., or was the fact that these are the only two Liberal governments in Canada a factor that the minister took into consideration?

Mr. Gillespie: Mr. Speaker, I think I have already made it quite clear, both a moment ago and on previous occasions, that the reason we did so was the dependence on oil by these two provinces for electrical generation; they both have very high electrical costs; in the case of P.E.I. by far the highest electrical costs in the country, and in the case of Nova Scotia very close to P.E.I. with a substantial increase in the offing.

PARTICIPATION IN MARITIME ENERGY POOL AND CONSTRUCTION OF GENERATING PLANTS

Mr. J. Robert Howie (York-Sunbury): A supplementary question, Mr. Speaker, to the same minister. Now that the minister of energy has announced a plan of federal assistance

to Prince Edward Island as an energy conservation measure, and in view of the government's willingness to develop a similar program with Nova Scotia, has the minister won from either of these provinces a commitment to participate in a maritime energy pool or an agreement to give priority to the construction of electrical power plants in the maritimes to permit the maximum economies of scale?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think it would be premature to say that at the moment I have a commitment from the two provinces, or indeed from the three maritime provinces, with respect to a maritime power pool. I think I can say, though, without being unduly optimistic that there is a good deal of interest now among those three provinces in examining the benefits of a power corporation which might not only generate electricity and be involved in the transmission of electricity, but perhaps also purchase electricity from other provinces.

POSSIBILITY OF DEVELOPING GULL ISLAND SITE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A further supplementary question, Mr. Speaker. Would the minister indicate whether there has been a reassessment of the position of the development of the Gull Island site so that energy could be developed and be of benefit to all the Atlantic region?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. member will perhaps know already from my previous answer, this was a reference I made with respect to a power corporation. One of the purposes I have always seen for the Maritime Power Corporation was just that, as a mechanism for purchasing power from other provinces and, in particular, of course, power from the Gull Island development, perhaps in the order of 1,000 megawatts a year.

● (1430)

REASON FOR FAILURE TO CHANNEL MORE FUNDS THROUGH HOUSING PROGRAM TO INSULATE HOMES TO CONSERVE ENERGY

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in the announcement made originally in respect of insulation, which is concentrated to help Nova Scotia, I wonder whether the minister discussed with his colleague before making the announcement the fact that there is in existence right now and has been for five years a residential rehabilitation assistance program which provides for insulation and other things to conserve energy, and why are more funds not extended into that very excellent program?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): As the hon. member will perhaps have already noted, Mr. Speaker, the proposals we put forward were in respect of a grant program rather than a loan program.

[Mr. Howie.]

[*Translation*]

INDUSTRY

TEXTILES—REQUEST FOR ACTION TO END DUMPING BY UNITED STATES TO REDUCE UNEMPLOYMENT

Mr. Louis Duclos (Montmorency): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce.

Can he tell the House whether the recent massive lay-offs in the textile industry, more particularly in Quebec, will induce him to take immediate steps to counteract dumping from the United States?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, the matter is now under study. As the hon. member knows, last November we announced measures for the textile industry which were rather controversial. I am aware of the problem with regard to imports of certain fabrics from the United States. Still it has yet to be established that they constitute dumping. The department is now making an inquiry and we hope to act as soon as we have had a definitive report on the matter.

* * *

[*English*]

PUBLIC SERVICE

REASON FOR PUTTING CERTAIN EMPLOYEES ON ALLEGED BLACKLIST

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Solicitor General and is somewhat supplementary to one asked earlier by the hon. member for Central Nova. My understanding of the minister's answer was that he was somewhat familiar with the list that has been alleged, or at least the letter that his predecessor may have written about the list, but that those included in the list were subjected to security clearance because of access to sensitive information. I would like the minister to clarify his answer now to the House as to whether any persons included on such a list were there because they were given information which may be adverse to the security of the state should it be released?

Hon. Francis Fox (Solicitor General): Mr. Speaker, as far as current practice is concerned there is no such list in existence. What I was trying to explain to the House is that whenever a civil servant is appointed to a position where there is access to confidential information which ought to remain secure there is a security check carried out.

REQUEST FOR REPORT ON PRIME MINISTER'S INVESTIGATION OF ALLEGED BLACKLIST

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my supplementary question is directed to the government House leader. As recorded in *Hansard* for October 13, the Prime Minister indicated that on this matter of Walter Rudnicki and the extra-parliamentary opposition, he would inquire and

investigate because at that time he had no information about it. Could the government House leader now indicate to the House whether in fact such an investigation has been carried out and whether various Cabinet ministers have been canvassed as to whether such a list was circulated to members of his Cabinet?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am able to say that I am not aware of any such list. I have not seen any such list and, to the best of my knowledge, no such list exists or has existed.

Some hon. Members: Oh, oh!

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NATIONAL DEFENCE

ALLEGED REVERSAL OF MINISTER'S POSITION IN CASE OF WILLIAM BIGGS—SUGGESTED REFERENCE TO COMMITTEE

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Minister of National Defence. On December 20 last the minister told me that he was going to have an independent inquiry made into the case of William Biggs, an employee in Germany who was found innocent of charges but severely punished by being dismissed from his employment. The minister said he was going to ask the Ontario ombudsman to investigate the case. Some four days later, however, the minister changed his mind completely and wrote to William Biggs informing him that he was not improperly fired. The minister also had the gall to wish Biggs a happy holiday. Could the minister inform us what happened during those four days to induce him to reverse his position and deny an impartial hearing to Mr. Biggs?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I believe I discussed this case with the hon. member, and suggested alternative ways of dealing with it in a satisfactory manner. There was no commitment made in respect of any such inquiry. I do not even know, and did not at that time, whether the Ontario ombudsman would even accept such a reference. In the interim I made a very thorough study of the case, as I had been doing up till then, and came to the conclusion that no further purpose could be served; it was a normal management decision, there was no question of Mr. Biggs' integrity involved at all but was a management decision which was made by competent management authority. He was not in the armed forces nor was he employed by the armed forces, and I am satisfied that the proper decision was made. I do not expect Mr. Biggs to necessarily agree with that decision as I never did when I got fired.

An hon. Member: Stop your histrionics.

Mr. Nowlan: There were different reasons for you getting fired.

Some hon. Members: Oh, oh!

Mr. McKinnon: Mr. Speaker, I have a supplementary question for the same minister. While Biggs may not have been in the armed forces, he was employed by them in that his superiors were members of the armed forces. To ensure that justice is seen to be done in this case I would ask the minister to refer the case of the dismissal of William Biggs to the Standing Committee on External Affairs National Defence, for that committee to be authorized to call such witnesses as may be necessary and to make recommendations to the House for a fair and just settlement of the case. Will the minister grant such referral?

Mr. Danson: No, Mr. Speaker. I think it has been dealt with in a proper way and I am satisfied that justice was done in this case.

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MANPOWER

CANADA WORKS PROGRAM—REQUEST FOR EXTENSION OF DEADLINE FOR FILING APPLICATIONS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that countless requests are being received by many members indicating the difficulty encountered in obtaining information regarding the Canada Works Program, will the minister consider extending the deadline beyond February 4 for submission of applications under Phase I of the program?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, in view of representations that have been made to extend it, I am looking at that suggestion. I am endeavouring to determine how many applications are coming in now and how many are going to beat the deadline. It would seem inappropriate to extend the deadline too far if we have a sufficient number of applications by the deadline date, but I will look at this, not only the numbers but the actual areas from which the applications come.

Mr. Scott: Mr. Speaker, since a similar situation exists in respect of the Young Canada Works Program, would the minister consider extending the deadline in respect of this program to enable submissions of properly constituted and well developed proposals to help reduce student unemployment?

Mr. Cullen: Mr. Speaker, that is an area I am looking at.

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

Mr. Patterson: Mr. Speaker, my colleague stole my thunder.

Oral Questions

EXTERNAL AFFAIRS

SOVIET ACTION AGAINST SYMPOSIUM OF JEWS IN MOSCOW—POSSIBILITY OF CANADIAN PROTEST

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Acting Minister of External Affairs who I believe is the government House leader. What steps has the Canadian government taken to indicate its dismay to the Soviet government at the stifling of the December symposium in Moscow, a symposium which was organized by Jews who wished to discuss the present state and possible future development of Jewish culture in the U.S.S.R.?

Hon. Allan J. MacEachen (Acting Secretary of State for External Affairs): Mr. Speaker, I will have to check into that particular situation to determine whether any comment was made by the Department of External Affairs or the government on the point.

Mr. McKenzie: Mr. Speaker, will the minister also check to see what effect this action will have on the intent and the meaning of the Helsinki Accord?

Mr. MacEachen: Yes, Mr. Speaker.

GARRISON DIVERSION—POSSIBILITY OF PRIME MINISTER DISCUSSING SUBJECT WITH PRESIDENT CARTER

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is for the Minister without Portfolio from Manitoba. It relates to the Garrison diversion project and the proposed visit of the Prime Minister to Washington to meet with the new President and his administration. Could the Minister without Portfolio indicate to the House whether the Cabinet has looked at the IJC report, and specifically whether the Cabinet has instructed the Prime Minister to raise the Garrison diversion project with the new President as a matter of urgency and priority during his meetings in Washington?

Hon. Joseph-Philippe Guay (Minister without Portfolio): Mr. Speaker, I should like to advise the hon. member for Selkirk that my reason for being in Cabinet is not to report on what goes on within Cabinet as such.

An hon. Member: What is the reason?

Some hon. Members: Oh, oh!

An hon. Member: Why are you there, Joe?

Mr. Guay (St. Boniface): Mr. Speaker, I want to assure the hon. member that I am looking at the matter, specifically the Garrison project of which he is speaking, and I assure him that I will bring the important matter to the attention of the Prime Minister.

Mr. Whiteway: Mr. Speaker, would the same minister indicate whether the Prime Minister is going to raise the Garrison matter with the President of the United States as a matter of priority and urgency?

[Mr. Patterson.]

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): Ask the Prime Minister.

Some hon. Members: Oh, oh!

* * *

● (1440)

INDIAN AFFAIRS

FINANCING OF ABENAKI MOTEL—REQUEST FOR REPORT

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Is the minister in a position to report to the House on the discussions he has had with officials of the Abenaki Motel, that is a project which comes under the purview of his department, in relation to the new financing of the operation of that motel which is an Indian project?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have not had discussions with the representative of that motel myself but officials of my department have in the last day or two. As soon as I get a report, I will be pleased to give it to the House.

* * *

[*Translation*]

STATUS OF WOMEN

PROMOTION OF WOMEN IN THE PUBLIC SERVICE

Mr. F. A. Philbrook (Halton): Mr. Speaker, I would like to put a question to the minister responsible for the status of women.

[*English*]

In view of the encouraging increase in the number of women filling senior positions in the civil service, will the minister assure the House that the spirit of International Women's Year shall be carried into 1977?

[*Translation*]

In other words, will the minister continue to encourage the trend toward women seeking greater participation in senior positions within the public service?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it is with a great pleasure that I was able to announce that last year there has been a substantial increase in the number of women promoted to important positions within the government, whenever these nominations were the cabinet's responsibility, that is when they have been appointed by order in council. I can assure the honourable member and the House that the government aims again at increasing this percentage for the current year, and I hope that the statistics we will publish next year on that matter will reflect significant improvement in the situation.

HARBOURS

REQUEST FOR REPORT ON NEGOTIATIONS WITH QUEBEC FOR WHARVES ON ST. LAWRENCE RIVER

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

Since negotiations between the federal and provincial governments concerning the wharves which provide communications facilities along the St. Lawrence have been going on for around three years, would the minister tell the House whether these negotiations will one day come to an end? Will they produce results or are we going to negotiate for the rest of this century?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the negotiations have been going on a long time and I am trying to ensure that they are brought to a conclusion. But, of course, in negotiations of this sort where two parties are involved it is not always possible for one to do anything about it.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I should like to ask a supplementary question.

Of course I understand there are two parties involved in this process, but would the minister tell the House whether since the arrival of a new government in Quebec there have been some talks with the new Quebec minister in charge and whether he seems prepared to come to a logical agreement which would better serve the Quebec population in this area?

[*English*]

Mr. Lang: Mr. Speaker, I have not had such a meeting with the minister of transport in the province since the change of government. We have a regular committee structure of both officials and ministers in the two transport departments, and I look forward to such a meeting before very long.

* * *

NATIONAL DEFENCE

STATIONING OF FRENCH LANGUAGE UNIT AT CFB GREENWOOD—GOVERNMENT POSITION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of National Defence. I should like to ask him whether, in view of his interesting trip to Nova Scotia and particularly to CFB Greenwood, his comments there about the establishment of a French language unit at Base Greenwood is a definitive announcement, notwithstanding the fact that I wrote his predecessor in office on December 3, 1975 a two and one-half page letter asking that at least six serious considerations be taken into account before an announcement is made and asking for a reply to that letter. Can the minister tell us the present status of the matter?

Hon. Barney Danson (Minister of National Defence): Yes, Mr. Speaker, I made it quite clear in Halifax and in Greenwood, as well as in discussions with the troops in Greenwood, that indeed the spirit of the French language will continue. This has received overwhelming support from the people on the base and from the fine people in that area in Nova Scotia. As I indicated at that time, the details are to be worked out so that we can do it in a constructive way that will bring the best results for all the people involved, and this is the spirit in which that French language unit is proceeding at Greenwood.

Mr. Nowlan: My colleague from Edmonton has a supplementary question, but first I have a very short supplementary question to put to the minister. It is very short.

Some hon. Members: Oh, oh!

Mr. Nowlan: Unfortunately, such questions do not take into account plus or minus the spirit of the French language. In my letter—I and other members of the House voted for the act overwhelmingly in 1968—the spirit of the language was taken into account. My question is put in view of the fact that this was a political decision overriding military considerations, and in view of the fact that Greenwood is a NATO base in which the English language is the language of communication with the French, the Dutch and the German pilots, if there are such French pilots, why did the department not take into consideration the counterproposal to establish a unilingual French unit at CFB Summerside, a search and rescue unit, where French and English are used in communication with the ground, since that base has jurisdiction over northern New Brunswick and Quebec?

Mr. Danson: As I pointed out, that was my impression, but I have no right to speak on behalf of the hon. gentleman, and I would be surprised if the representative of parliament in that area objected to this procedure. If one wants to raise excuses for not doing these things, one can find lots of them. But if you want to find the reasons for doing so and for taking advantage of an opportunity, as the men on the base want to do, we will find them and it will be done in a positive and constructive way.

REASON FOR MOVING UNILINGUAL FRENCH UNIT FROM EDMONTON

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my supplementary question is for the Minister of National Defence. The minister has been haranguing the good people of Nova Scotia because some of them questioned the wisdom of having a unilingual French-speaking Argus squadron attempting to operate in close co-operation with other unilingual English-speaking units. At the same time the minister is moving No. 1 Commando unit of the airborne regiment, a unilingual French unit, out of Edmonton where it had been warmly welcomed and has contributed a great deal to better understanding between the French and the English. Can the minister explain his policy which tries to force a unilingual

unit where it does not fit in one area while taking another unilingual unit away from where it fits beautifully?

An hon. Member: Pourquoi?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, the hon. gentleman is asking for logic in some of these situations.

Some hon. Members: Oh, oh!

Mr. Paproski: Just answer the question.

Mr. Hees: You never heard of logic.

Mr. Danson: What my hon. friend does not appreciate is the fact that there is a military decision to be made and it has to be taken in concert with the bilingual policy of the government. Military decisions are not made to accommodate the bilingual policy but rather it is the bilingual policy which has to accommodate military tasks. What we are doing here is to enhance the armed forces as was announced, as most military people appreciate and understand. If the hon. gentleman would care to come to my office, I will draw some pictures for him to explain the situation.

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AGRICULTURE

REASON FOR FAILURE TO TEST SOME CATTLE IMPORTED FROM MICHIGAN FOR PBB

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the logical Minister of Agriculture.

An hon. Member: Are you kidding?

Mr. Nystrom: In view of the fact that over 70,000 cattle have been imported into Canada in the last two years from Michigan where an environmental accident occurred in 1973 and poisoned large numbers of livestock with a chemical called PBB, I should like to ask the minister whether or not he can explain to the House why only about 700 cattle were tested for this chemical, especially since the government knew it occurred since 1974 and especially since there is a vast surplus of cattle in this country?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member is aware that you do not test every animal that is slaughtered. You take spot checks on cattle. Many of the cattle that are fed in Michigan are not raised in Michigan. They are put in feedlots, fed in Michigan and then shipped into Ontario. We are concerned about this. We have done the tests, as I am sure the hon. member is aware because my officials have told me they have given him in fact the same information they have given me. It may be necessary to continue with further testing of the fatty tissues in the meat to trace this chemical, but our officials feel sure that they have done everything humanly possible to ensure that these tests are accurate. The last group of cattle in which it has been found have been held in detention until further tests, and I understand that those tests have been taken yesterday in Ottawa and I do not know what the results of them are.

● (1450)

Mr. Nystrom: In view of the fact that the substance went into the feed and most of the cattle in Michigan ate it and that medical studies just a few weeks ago revealed that out of the 1,000 people tested in Michigan nearly a third had suffered adverse health effects, possibly because of having eaten meat contaminated by PBB, I would like to ask, in order to protect the Canadian people in the future, whether the minister is willing to designate a group of officials in his department to monitor any environmental incidents which might affect the food system. This particular problem was known about three years ago and nothing was done.

Mr. Whelan: Mr. Speaker, the hon. member himself recognizes that that feed was manufactured three years ago. Surely to goodness he does not think that feed which was manufactured three years ago is still being used. There is now a different feeding program, and those cattle are no longer in existence. They were destroyed by the Michigan and the Agriculture health authorities in the United States of America. Any evidence that they had of cattle consuming that feed at that time was destroyed.

BEEF CATTLE—INQUIRY AS TO POSSIBILITY OF DEFICIENCY PAYMENT

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Minister of Agriculture. Is there going to be a deficiency payment made this year to beef producers under the beef support program for cattle marketed in 1976, and if so, when will the minister make the announcement?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, there is a program. The decision was made some time ago, and I believe the announcement has been made already today that the price would be $40.16 per hundredweight, and it would be made on a quarterly basis.

Mr. John Wise (Elgin): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce, but I see he has momentarily left the chamber.

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[*Translation*]

SOCIAL SECURITY

REQUEST FOR COMPENSATION FOR LOSSES SUSTAINED BY PENSIONERS IN DISASTERS—GOVERNMENT POSITION

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

In view of the fact that a welfare recipient is entitled to some money to compensate for the loss of his property as a

result of a fire or a disaster and since an elderly person cannot obtain that assistance from the Department of Social Affairs in Quebec and does not receive the old age security pension even if under the Canadian constitution it is strictly under provincial jurisdiction, can the minister tell the House whether he intends in the near future to correct that oversight through the Canada Assistance Plan which would enable a senior citizen in receipt of an old age security pension to enjoy the same rights as welfare recipients following a fire or other disaster?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the matter of social assistance in exceptional cases such as that mentioned by the hon. member comes under provincial jurisdiction. The Canada Assistance Plan now provides federal government sharing of the amounts allocated by the provinces to persons in need for that purpose. Consequently it would not be necessary to amend the federal law. If the province wishes to assume its own responsibilities in that field, we will share the necessary costs up to 50 per cent.

* * *

[*English*]

EXTERNAL AFFAIRS

REASON FOR ALLEGED SECRET EXPULSION FROM CANADA OF MR. PERDOMO, REPRESENTATIVE OF CUBA

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Acting Secretary of State for External Affairs, who was directly involved with the issue I raised in my motion under Standing Order 43. I would like to ask the minister if he could either confirm or deny allegations that one Alfonso Perdomo, once second in command of the Cuban embassy in Ottawa, was expelled from Canada last June along with a number of his colleagues for deceitful practices towards this government regarding foreign aid to that nation, and if the minister can confirm this expulsion, why was it not made public at that time?

Hon. Allan J. MacEachen (Acting Secretary of State for External Affairs): Mr. Speaker, the question raised by the hon. member is probably subsequent to the action recently taken by the government of Canada when it sought the departure from Canada of a number of Cuban officials because of the conduct of intelligence operations in Canada. That action has been taken and is an indication of the seriousness with which the government looks at these activities.

With respect to earlier cases it has been the policy to apply similar principles with respect to requests made to foreign countries. In this particular case we have secured the removal of these persons, and we hope that we will be able to overcome any difficulties which might have been created by this event in our relations with Cuba.

SUGGESTED COMMITTEE STUDY OF ALLEGED SUBVERSIVE ACTIVITIES OF CUBAN DIPLOMATS

Mr. Otto Jelinek (High Park-Humber Valley): I would like to assure the minister that this case has nothing to do with the recent expulsions of people from the Cuban consulate in Montreal. These revelations which are presently being made in the affirmative have not been denied by officials of the Department of External Affairs. I am wondering whether the minister would be in a position to form a parliamentary committee or perhaps use the subcommittee of External Affairs dealing with CIDA to study the charges which are being made with regard to the expulsion of Cubans, to study all aid directed to Cuba and to stop any further aid to Cuba until these allegations have been looked into.

Hon. Allan J. MacEachen (Acting Secretary of State for External Affairs): With respect to Cuba, we have at the present time a $10 million line of credit which provides for the purchase in Canada of Canadian goods and provides for the supply of Canadian technicians for operations in Cuba. There is no direct cash transfer to the government of Cuba. All the funds are expended in the way I have described and have to do with the building of the social and agricultural infrastructure in Cuba. I believe that it is entirely appropriate for any committee of the House to deal with the adequacy of such a program, which is a people to people program based on the necessity for economic development in Cuba. I also believe that it is wise to detach from that consideration the question of security, which is entirely different and which in the normal course is not given the same public disclosure as would be the case with our aid program to Cuba.

* * *

AGRICULTURE

ALLEGED CONFLICTING STATEMENTS OF MINISTERS ON FOOD POLICY

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is for the Minister of Agriculture. The Minister of Industry, Trade and Commerce has been travelling across the country saying that Canada needs to develop a national integrated food policy, and the Minister of Agriculture, when speaking to the York County Soil and Crop Improvement Association, stated that Canada already has a national food policy. Which one of the ministers was telling the truth? If we have a national food policy, would the minister table it in the House?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, in this country we have food which is cheap when we consider this country has 23 million people, is 4,000 miles wide and the cost is only about one per cent different from that in the United States. If anyone can improve on our food policy, any member of my cabinet or otherwise, let him do so. However, I have not read what the hon. minister was saying. I will not go solely on what the hon. member said because in the past he has been wrong.

Mr. Malone: Would the minister respond by saying whether he considers the tremendous increase in the number of quotas on imported food which have been lowered over the past year is part of that national food policy as it refers to honey, fruits, vegetables and particularly the tremendous increase in the importing of offshore beef from the oceanic countries?

Mr. Whelan: This minister has probably used the laws of this land more frequently than any other minister. When we used quotas in 1975, hon. members opposite said I was a very bad fellow. Then former President Ford triggered his meat import laws and used quotas, and that country has quotas on practically everything with which we compete. The hon. member should be aware that we will use quotas whenever the United States uses them. I used mine in a very fair manner when I invoked them against the United States. They retaliated and used them in a very unfair manner. We are looking forward to great things from the new administration in the United States.

* * *

TRADE

LEVEL OF CHEESE IMPORTS—GOVERNMENT POSITION

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. It relates to the ongoing and mounting dissatisfaction and uncertainty in the Canadian dairy industry with respect to the unacceptable high level of 50 million pounds of imported cheese. Last year the former minister of industry, trade and commerce fortunately disregarded the advice of the Minister of Agriculture given on November 4, 1974 for doubling these amounts and acted on the appeals of the opposition by freezing imports for one year at the 50 million pound level. Would the minister clarify if reports in the press attributed to the chairman of the Canadian Dairy Commission that the freeze has been extended for an additional one year period are correct?

● (1500)

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I have not seen the statement of the president of the Canadian Dairy Commission. I will inquire, but the hon. member should know that I generally get along quite well with my colleague the Minister of Agriculture.

[*English*]

Mr. Wise: A supplementary question, Mr. Speaker. Since the government has adopted the generally accepted policy of compensating producers on the basis of the previous five-year averaging concept, would the minister give immediate and serious consideration to applying this principle in establishing a more acceptable and equitable basis for cheese import levels? Does he not recognize if such a principle were adopted our cheese import level would be somewhere around 38 million or 40 million pounds and the Canadian dairy industry would benefit by $4 million and Canadian cheese manufacturers would have the opportunity to—

Mr. Speaker: Order, please.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 96, 143, 155, 627, 703, 716, 739, 763, 834, 908, 912, 981, 1,035, 1,036, 1,096, 1,140, 1,144, 1,241, 1,370, 1,420 and 1,421.

[*Text*]

UIC—G. COUSINEAU

Question No. 96—**Mr. Cossitt:**

1. On what date was Mr. G. Cousineau appointed Chairman of the Unemployment Insurance Commission and on what date did he leave this position?

2. What was the total amount of money he received in (a) salary (b) expenses during his term of office and what portion was for travelling?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. Appointed June 29, 1972—Left May 27, 1976

2. (a) DM1 level salary range $41,000—$54,000 effective April 1, 1975. (b) $20,161.62 of which $16,737.15 was for travelling.

DEPARTMENT OF LABOUR—CONTRACTS FOR PROFESSIONAL SERVICES—FISCAL YEAR 1975-76

Question No. 143—**Mr. Orlikow:**

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Department of Labour?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Hon. John C. Munro (Minister of Labour): 1. (a) M. Bossen—study of aspects of part-time work in Canada $17,744. C. J. Connaghan—study of West German Industrial Relations $2,987. Canadian Economic Systems Ltd.—study of industrial relations $11,904. Iain Campbell—study of system for employment injury benefits $8,875. Dr. J. Willard—advise on policy related to development of controls and post-controls $3,976. G. McCaffrey—consulting on matters relating to the development of tripartite discussions concerning industrial relations $27,600. (b) R. Smith—consultation on departmental objectives $30,012. R. Weiler & Associates Ltd.—consult

on departmental organization, objectives, operations, etc.—$32,241.

2. See 1(a) and 1(b) of above.

3. (a) $87,908. (b) $12,712.

BIBEAU REPORT

Question No. 155—**Mr. Mazankowski:**

1. On what date was the Bibeau Report commissioned?

2. How many persons were involved in (a) research (b) writing of the Report and, in each case, what (i) were their names (ii) was their rate of remuneration?

3. To date, what has been the total cost of the Commission?

Hon. Robert K. Andras (President of the Treasury Board): 1. November 7, 1974.

2. Thirty-one persons were involved in the research and preparation of the report and of this group, eight also contributed to the writing of the report; their names and their rate of remuneration are as follows:

Research	Writing	Per Diem Remuneration
Bibeau, G.	Yes	$ 175.00
Boutet, J.		60.00
Cardinal, R.		37.50
Charbonneau, R.	Yes	100.00
Dagenais, A.	Yes	75.00
Duchesne, L.		75.00
Edwards, H. P.	Yes	175.00
Ellard, K.		150.00
Gardner, R. C.		200.00
Germain, C.		150.00
Hee Chung, V.		60.00
Jobidon, L.		40.00
LaForge, L.		150.00
LeBlanc, G.		100.00
LeBlanc, R.	Yes	175.00
Lemire, G.		120.00
Lemire, M. C.		60.00
Mackey, W. F.	Yes	175.00
Massey, M.		150.00
Mercier, N.		100.00
Normand, S.		150.00
Pampalom, J.		40.00
Porebsky, O. R.		175.00
Simard, G.		50.00
Smyth, F.		150.00
Thivierge, L.		40.00
Touchette, C.		150.00
Tousignant, R.	Yes	175.00
Trahan, M.		150.00
Tremblay, M.		75.00
Wesche, M.	Yes	125.00

Aside from individuals, some institutions and consulting firms were also involved in the provision of psycho-social analysis, standardized questionnaires and computer analysis and processing of data.

3. The total cost to date of the Bibeau Study has been estimated at $552,000.

POST OFFICE DEPARTMENT

Question No. 627—**Mr. Dinsdale:**

1. What is the cost per issue of the Post Office publication *Communication* for (a) editorial staff (b) printing?

2. (a) How many copies per issue are printed (b) to whom are they distributed (c) are they distributed free?

3. Is there a full-time editor for the publication and, if so, (a) what is his salary (b) what support staff does he have?

Hon. J.-J. Blais (Postmaster General): The publication "Communication" has been suspended for reconsideration of its format and frequency as part of the government constraint on expenditure.

NUMBER OF BOATS USING RIDEAU CANAL

Question No. 703—**Mr. Cossitt:**

1. (a) What was the total number of boats using the Rideau Canal during the 1976 season (b) what percentage was (i) American (ii) Canadian?

2. What was the comparable figure for (a) 1974 (b) 1975 and, if there was a decrease, what was the (i) percentage (ii) reason and did the introduction of tolls in 1975 have anything to do with it?

3. What was the total amount of tolls collected in (a) 1975 (b) 1976?

4. (a) What was the total operating cost of the Canal in (i) 1975 (ii) 1976 (b) in each case, what percentage of the cost of all operations was paid for by tolls?

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. (a) 6180 vessels (estimated). (b) (i) 26 percent American (ii) 74 percent Canadian.

2. (a) 1974, 7900 Vessels (estimated), 35 percent American, 65 percent Canadian (b) 1975, 6550 Vessels (estimated), 33 percent American, 67 percent Canadian There was a decrease in vessels using the Rideau Canal in 1975 and 1976. (i) In 1975 vessels using the Rideau Canal decreased 17 percent from 1974. In 1976 vessels using the Rideau Canal decreased 22 percent from 1974. (ii) Reduction in number of vessels using the Rideau Canal in the opinion of Parks Canada was due to—1. Poor boating weather of 1976. 2. Bicentennial year in U.S. and premium on Canadian dollar. 3. Increased costs of fuel and service in 1975 and 1976. 4. Introduction of Canal tolls 1975 and continuation of revised tolls in 1976.

3. (a) 1975 tolls collected $44,050. (b) 1976 tolls collected $34,772.

4. (a)(i) 1975 Operations and Maintenance costs $2,241,000 (ii) 1976 Operations and Maintenance costs $2,431,000 (estimated); (b)(i) 1.9 percent (ii) 1.4 percent.

Order Paper Questions

CMHC—LAWYERS RETAINED IN CUMBERLAND AND COLCHESTER COUNTIES, N.S.

Question No. 716—**Mr. Coates:**

1. What are the names of individual lawyers who are employed by CMHC in the Constituency of Cumberland-Colchester North and how was each selected?

2. How much did each lawyer or law firm receive in fees and expenses in each fiscal year 1970-71 to date?

3. Do individuals or corporations who secure financing through CMHC have to use law firms determined by CMHC in the legal work associated with the loans in question and, if so, for what reason?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1 and 2. The following lawyers were retained by CMHC, in Cumberland and Colchester Counties, N.S., to process mortgage documentation arising from CMHC direct lending, from 1970 to September 1976: Amherst, W. B. Fairbanks; E. C. Hicks, Q.C.; Truro, Kenneth J. Brooks; W. J. Grant, Q.C.; H. R. Latimer; D. Arthur Nichols. Legal fees in connection with CMHC direct loans are paid by the borrower, and CMHC therefore, has no record of the amounts paid to these lawyers. The following lawyers were retained from 1970 to September 1976, to handle action where arrears on loans approved in Cumberland and Colchester Counties, N.S. required legal action:

		Costs and Fees
Amherst	E. C. Hicks, Q.C.	$7,357.52
Halifax	McInnes, Cooper and Robertson	$2,824.28
	Block, Prossin and Schelew	$4,381.84

3. CMHC has, as a general rule, followed the practice of all government departments and agencies and employed agents approved by the Minister of Justice. The present practice with respect to CMHC is that, with the approval of the Minister of Justice, the Minister of State for Urban Affairs from time to time provides the Corporation with the names of legal agents who may be employed for these purposes in various municipalities throughout the country. In the case of loans for the provision of housing to persons of low income, requests for the employment of the borrower's solicitor or notary are in many cases granted where the employment will produce a financial advantage to the borrower. In addition, in the case of loans on existing housing, where the borrower has employed a solicitor or notary to carry out the work of acquiring the title to the property, CMHC may employ the borrower's solicitor or notary to act on behalf of CMHC.

DEVCO—NUMBER OF INDIVIDUALS OR FIRMS HOLDING CONSULTANT CONTRACTS

Question No. 739—**Mr. Muir:**

How many individuals or firms hold consultant contracts with the Cape Breton Development Corporation at this date and what (a) are their names (b) is the objective of the contract (c) is the amount and term of the contract?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): As of October 20, 1976, twelve individuals and firms held consultant contracts with the Cape Breton Development Corporation.

	(a) Name	(b) Objective of the contract	Amount	(c) Terms of contract
(i)	Canada Consulting Group Ltd.	Study the feasibility of manufacturing and marketing recreational vehicles	$13,325	April 1976 contract now completed
		Study the feasibility of manufacturing and marketing various types of mining equipment	21,500	April 1976 to be completed by December 31, 1976
(ii)	Nova Scotia Research Foundation	Study the feasibility of manufacturing and marketing brick in Cape Breton	12,000	July 1976 awaiting Reports
(iii)	D. Murray	Consultant for the opening development and operation of an 18th century mine as a tourist attraction	31,000	December 1973 to November 30, 1976
(iv)	R. MacKeen	Consultant on Marine Facilities in the Bras d'Or	67,000	January 1, 1974 ends December 31, 1976
(v)	A. Forgeron	Consultant in scheduling and monitoring underground coal development	67,083	October 1, 1974 ends December 31, 1976

Order Paper Questions

	(a)	(b)		(c)
(vi)	N. Strong & Assoc.	Hardwood studies and mapping of forest resources	18,110	October 15, 1975 to November 1976
(vii)	J. Lalanne	Design consultant and manager of 18th century French restaurant	18,000	January 1, 1976 to October 31, 1976
(viii)	C. Gaye Johnson	Investigation the Salmon River Mine Project	2,000	Two weeks, report received October 23, 1976
(ix)	K. Wardell & Assoc.	Advise on retreat extraction of coal barriers between longwalls in Lingan and No. 26 Collieries	1,500	Estimated one week
(x)	John T. Hepburn Ltd.	Assessment of the condition of mine hoists	5,000	Estimated two weeks
(xi)	Charles Smith	Design, organization and management of tourist restaurant Princess Colliery	6,690	July 1, 1976 ended October 31, 1976
(xii)	N. Lynk	Wood utilization	1,673	July 1975 and as required.

CONSUMER PRICE INDEX

Question No. 763—**Mr. Stevens:**

1. To the date this question is answered, what would be the current all-items Consumer Price Index if calculated from 1913 expressed in terms of 1949 equalling 100?

2. (a) What was the all-item Consumer Price Index, if calculated from 1913 and expressed in terms of 1949 equalling 100, as of October (i) 1976 (ii) 1970 (iii) 1964 (iv) 1958 (v) 1952 (vi) 1946 (b) what was the percentage of change from the preceding six year period for each such period?

3. What would be the current Consumer Price Index for (a) food (b) shelter (c) services excluding shelter (d) goods other than food, if calculated from 1913 and expressed in terms of 1949 equalling 100?

4. What was the Consumer Price Index for (a) food (b) shelter (c) services other than shelter (d) goods other than food, if calculated from 1913 and expressed in terms of 1949 equalling 100 as of October (i) 1976 (ii) 1970 (iii) 1964 (iv) 1958 (v) 1952 (vi) 1946?

5. What was the percentage of change for each period in Part 4 from the preceding six-year period?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports: 1. The All-Item Consumer Price Index for the month of October 1976 stood at 261.3 using 1949=100 as the time reference base.

2. (a) The All-Items Consumer Price Index, using 1949=100 as the time reference base, stood at the following levels for the periods specified: (i) October 1976, 261.3; (ii) October 1970, 168.3; (iii) October 1964, 135.6; (iv) October 1958, 126.0; (v) October 1952, 116.0; (vi) October 1946, 79.5. (b) The percentage change in the All-Items Consumer Price Index between the corresponding months of these six-year periods was as follows: (i) October 1970 to October 1976, 55.3 per cent; (ii) October 1964 to October 1970, 24.1 per cent; (iii) October 1958 to October 1964, 7.6 per cent; (iv) October 1952 to October 1958, 8.6 per cent; (v) October 1946 to October 1952, 45.9 per cent.

3. In October 1976 and using 1949=100 as time reference base, the Consumer Price Indices for the commodity groupings specified were as follows: (a) Food, 270.2; (b) Shelter, 328.6; (c) Services excluding Shelter, 385.2; (d) Goods other than Food, 197.4. It is to be noted that the composition of these groupings have slightly changed over time due to addition, deletion or reclassification of particular items. However, this does not impair the continuity of the index series since standard index linking procedures were used at time of change.

4. The Consumer Price Indices for the commodity groupings referred to, stood at the following levels, using 1949=100 as time reference base, for the periods specified:

		(a) Food	(b) Shelter	(c) Services excluding Shelter Services	(d) Goods Excluding Food
(i)	October 1976	270.2	328.6	285.2	197.4
(ii)	October 1970	159.9	209.9	237.3	139.9

		(a) Food	(b) Shelter	(c) Services excluding Shelter Services	(d) Goods Excluding Food
(iii)	October 1964	131.0	155.1	174.4	120.6
(iv)	October 1958	123.4	139.6	151.5	115.6
(v)	October 1952	115.1	121.5	121.1	113.1
(vi)	October 1946	73.0	92.4	Not available [1]	Not available [1]

[1] This grouping did not exist prior to 1949.

5. The percentage changes in the Consumer Price Indices for the commodity groupings specified between the corresponding months of these six-year periods were as follows:

		(a) Food per cent	(b) Shelter per cent	(c) Services excluding Shelter Services per cent	(d) Goods Excluding Food per cent
(i)	October 1970 October 1976	69.5	56.6	62.3	41.1
(ii)	October 1964 October 1970	21.7	35.3	36.1	16.0
(iii)	October 1958 October 1964	6.2	11.1	15.1	4.3
(iv)	October 1952 October 1958	7.2	14.9	25.2	2.2
(v)	October 1946 October 1952	57.7	31.5	Not available [1]	Not available [1]

[1] This grouping did not exist prior to 1949.

INCREASE IN FUNDING TO CBC FOR 1977

Question No. 834—**Mr. Herbert:**

1. Has the government made an agreement to grant CBC a 5 percent increase in funding next year over and above inflation?

2. What is this year's budget for CBC, not including the moneys allocated specifically for the Olympics?

3. Does the government contemplate an increase in CBC's budget for next year of approximately $50 million?

Hon. John Roberts (Secretary of State): 1. In furtherance of the plans and priorities of the CBC, the Government has agreed to the principle of an average growth of 5 percent per year in real dollars, for a period of six years starting in 1976-77 subject to year by year parliamentary approval. In addition, allowance is made for increases in the Consumer Price Index and the relationship of government salaries to the C.P.I. as it applies to salaries and wages of the Corporation.

2. The 1976-77 budget of the Canadian Broadcasting Corporation is $343.4 million for operating expenditures and $61.3 million for capital expenditures, excluding payments of $11.2 million to the CBC for coverage of the Olympics.

3. Based on the calculation outlined in paragraph 1 above, the increase contemplated for the corporation in 1977-78 would be approximately $50 million but this will be for parliament to decide in the context of the 1977-78 Main Estimates.

[Mr. Poulin.]

UIC—FINANCIAL OFFICER POSITIONS

Question No. 908—**Mr. Mazankowski:**

1. How many financial officer positions are currently budgeted for the Unemployment Insurance Commission, Chief of Control Systems and Quality Review Branch?

2. How many are filled?

3. Who is the current Chief of Control Systems and Quality Review?

4. Since the establishment of the Chief of Control Systems and Quality Review position, in 1973, how many months was the position vacant?

Hon. Jack Cullen (Minister of Manpower and Immigration): 1. Seven positions.

2. Five, one in each region.

3. Vacant

4. Vacant since 27 June, 1975, (Position established 1 April, 1974) as the commission is presently utilizing D.S.S. Audit Services to direct this function.

UIC—CENTRAL REGISTRY FILES

Question No. 912—**Mr. Cossitt:**

1. Were any instructions issued to District Managers or to anyone else in the Unemployment Insurance Commission to conduct, as quickly as possible, an immediate purge of their Central Registry Files of any confidential documents contained therein and, if so (a) on what date (b) by what means (c) by whom (d) what was the purpose leading to such instructions (e) for what reason (f) in what offices have steps been taken to purge such files (g) in what locations have such documents been placed in each case?

2. Were any documents destroyed and, if so, on whose authority?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. No.

2. Not applicable.

AECL—METHODS OF PURCHASE

Question No. 981—**Mr. Epp:**

1. What methods of purchase does the AECL use in the supplying of goods and services in the (a) safety division (b) stores division?

2. Are tendering procedures being used in the supplying of AECL goods and services and, if not, what are the reasons for the present practices?

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited reports as follows: 1. Goods and services required in the (a) safety division and (b) the stores division are obtained on the basis of competitive quotations, where possible, for all requirements in excess of $500 value. Goods/services under $500 are procured at the discretion of a Purchasing Agent, based on his knowledge of the market.

2. Yes.

SUPPLY AND SERVICES—EMPLOYEES ON STRENGTH

Question No. 1,035—**Mr. Bawden:**

What is the number of continuing employees in the Department of Supply and Services, on strength, September 30, 1976 for the following categories (a) executive (b) scientific and professional (c) administration and foreign service (d) technical (e) administrative support (f) operational?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) 61; (b) 380; (c) 2,420; (d) 96; (e) 4,866; (f) 1,511; Total: 9,334.

CCC—INTEREST FREE LOAN FROM THE DEFENCE PRODUCTION REVOLVING FUND

Question No. 1,036—**Mr. Bawden:**

1. Did the Canadian Commercial Corporation grant an interest free loan of $1,742,780 from the Defence Production Revolving Fund and, if so (a) to what contractor (b) for which project?

2. What is the nature of the claim that the contractor has with the CCC?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The Department of Supply and Services under authority of the Defence Production Act entered into a $3.9 million interest free loan agreement on October 6, 1972 with CAE Aircraft Ltd., Winnipeg, and CAE Industries Ltd., Montreal for the overhaul of U.S. military T-39 Sabreliner aircraft, covered by a contract between CCC and CAE Aircraft Ltd. The contract was placed as a result of the acceptance by the U.S.A.F. of a bid by the contractor in response to a U.S.A.F. invitation for bid (IFB)—competitive tender. The present residual value of the loan is $1,742,780.

2. The contract was terminated for convenience of the customer government and the contractor is claiming for all costs incurred both prior to and after receiving notice of termination.

Order Paper Questions

COMMUNITY EMPLOYMENT STRATEGY—NEW BRUNSWICK

Question No. 1,096—**Mr. Howie:**

1. (a) What is the function of the Community Employment Strategy Office located at Fredericton, New Brunswick (b) how many persons are employed (c) as of November 1, 1976, what is the total of the annual wages (d) what is the rental for the premises (e) on what date did the Office open?

2. Have any programmes of community employment strategy been (a) proposed (b) accepted (c) implemented and, if so, on what date in each case?

Hon. Jack Cullen (Minister of Manpower and Immigration): 1. (a) The Community Employment Strategy Office located at Fredericton, New Brunswick, is a joint federal-provincial operation which has, as its function, implementing and providing administrative support for CES in the Province of New Brunswick. (b) A total of seven persons are employed. Three of these are employees of the Department of Manpower and Immigration. (c) Total annual wages as of November 1st, 1976 for the three persons employed by the Department of Manpower and Immigration are $59,683. (d) Rental for the premises is $870.00 per month. (e) The office opened on November 10, 1975.

2. (a) An employment strategy outlining Manpower and Immigration implications for area activity in St. Quentin-Kedgwick was approved by the minister in August 1976. A number of provincial programs and services have been proposed and implemented along with federal initiatives. Federal programs proposed for this area include: (i) Five Local Initiative Program projects; (ii) Limited additional funding for four of these projects; (iii) Two "one-stop" service (integrated services) facilities; (iv) A number of additional training and other programs and services. (b) (i) LIP—approved; (ii) Additional LIP funding—approved; (iii) Integrated service facilities—approved; (iv) Additional training and other programs identified within the initial employment strategy—approved in principle. (c) (i) LIP—one project implemented ($67,000) November 1, 1976—Others as per regular LIP process; (ii) Supplementary funding—one implemented ($7,000) November 1, 1976—Others as per regular LIP contracts; (iii) Integrated Service Facility—implemented August, 1976: program cost to date—$1,400; (iv) Employment Strategy components—will be implemented as appropriate commencing January, 1977. One component of the strategy already implemented consists of $16,304, Manpower Training on-the-job contract relating to Native and Rural Housing. Program and service activity of both levels of government in the St. Quentin-Kedgwick area has directly affected 64 persons for employment or training. A second CES area in New Brunswick, Fredericton, has recently been approved (November, 1976). An employment strategy outlining program and service activity of both levels of government is now being developed.

RELOCATION OF DEPARTMENTS AND AGENCIES TO HULL

Question No. 1,140—**Mr. Baker (Grenville-Carleton):**

Has a task force on relocation of departments and agencies to Hull been formed and, if so (a) who are the members (b) what are the terms of reference (c) has it begun to function (d) on what date is a report expected and will it be Tabled in the House or published as a White Paper?

Order Paper Questions

Hon. Robert K. Andras (President of the Treasury Board): No. (a) not applicable; (b) not applicable; (c) not applicable; (d) not applicable.

GRAIN HANDLING PROBLEMS

Question No. 1,144—**Mr. Hnatyshyn:**

Is the government aware of the statement made by the Director of the Processed Food Division of the Japanese Food Agency in Vancouver recently that "Canada either cleans up the aggravating grain handling situation which is a discredit to the Port of Vancouver or Japan will turn to other suppliers for its wheat and barley supplies" and, if so, what action is the government taking to ensure that the negative results of snowslides, insufficient storage and loading capacity and labour disputes will be overcome in the future?

Hon. Otto E. Lang (Minister of Transport): As a result of government awareness of West Coast grain handling problems, the Canadian Transport Commission appointed a Grain Car Co-ordinator to coordinate efforts to improve the throughput of grain through Vancouver. More recently the Canadian Wheat Board has initiated a storage construction incentive program which has led to proposals for the construction of an additional 10.4 million bushels storage capacity. This will significantly improve our west coast grain throughput. At the same time efforts are also being directed at achieving a more consistent use of the elevator at Prince Rupert. The Canadian Wheat Board storage incentive program has been extended for Prince Rupert while the Canadian Grain Commission has requested proposals from the grain trade aimed at ensuring a better utilization of this facility. Both railways have ongoing programs aimed at stabilizing rock walls and reducing slide problems in the Fraser Canyon. At the same time, new rail interconnections have been constructed in the Vancouver area. These actions will have the effect of reducing, if not eliminating, many of the rail delays that have occurred in the past. Vancouver port labour problems have been the focus of much attention in recent years. Thanks to consistent efforts by all concerned there has been a steady improvement in labor relations at the port. In summary the government is aware of the past problems of moving grain through the west coast and has in hand programs designed to reduce these problems.

COMPENSATION FOR PRIMROSE LAKE BOMBING RANGE

Question No. 1,241—**Mr. Cadieu:**

Has compensation been paid to any individual, group, association or the Government of Saskatchewan by the Department of National Defence for the lease of land for the Primrose Lake bombing range in Northwestern Saskatchewan and, if so (a) on what date (b) to whom and by what method (c) how much?

Hon. Barney Danson (Minister of National Defence): Yes. (a) Annually on March 31. (b) To the province of Saskatchewan by government of Canada cheque. (c) 1954-74 $88,813 per annum; 1974-76, $453,570 per annum.

DEPARTMENTAL ADVERTISEMENT

Question No. 1,370—**Mr. Beatty:**

1. What was the cost to the taxpayer of the advertisement on the back cover of the December 11, 1976 issue of *Weekend Magazine* informing readers that the Minister of Consumer and Corporate Affairs likes fairness in the marketplace and supports Canadians' right to "receive honest information"?

2. Did the Minister visit his Department's offices in Place du Portage at any time prior to placing the advertisement?

3. Was the mailing address in the advertisement and, if so (a) for what reason (b) is this the Minister's departmental address?

4. Would the Minister agree that giving the address of his departmental offices as "Place du Portage, Ottawa/Hull" is an example of misleading advertising?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): 1. $16,860.

2. Yes the Minister has worked in the departmental office regularly since his appointment.

3. (a). Yes, to provide an address for consumer responses. (b) Yes.

4. No.

UIC—BENEFITS PAID TO VARIOUS INCOME CLASSES FOR 1973

Question No. 1,420—**Mr. Lawrence:**

For the 1973 taxation year, how many persons in Canada with a taxable income of (a) $20,000 to $25,000 (b) $25,000 to $50,000 (c) $50,000 to $100,000 (d) $100,000 and over, received unemployment insurance benefits and, in each income class, what was the total amount paid?

Hon. Jack Cullen (Minister of Manpower and Immigration): See reply to question 1,047 answered December 17, 1976.

UIC—BENEFITS PAID TO VARIOUS INCOME CLASSES FOR 1974

Question No. 1,421—**Mr. Lawrence:**

For the 1974 taxation year, how many persons in Canada with a taxable income of (a) $20,000 to $25,000 (b) $25,000 to $50,000 (c) $50,000 to $100,000 (d) $100,000 and over, received unemployment insurance benefits and, in each income class, what was the total amount paid?

Hon. Jack Cullen (Minister of Manpower and Immigration): See reply to question 1,048 answered December 17, 1976.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 753 could be made an order for return, this return would be tabled immediately. The reason is the length and complexity of the requested information.

Mr. Speaker: Is it the pleasure that question No. 753 be deemed to have been made an order for return?

Some hon. Members: Agreed.

[*Text*]

GOVERNMENT INVESTMENT IN CROWN CORPORATIONS

Question No. 753—**Mr. Stevens:**

1. As of March 31, 1975, March 31, 1976 and September 30, 1976, how much had the government loaned to or invested in Crown corporations, including departmental corporations, agency corporations, proprietary corporations or any other type of public enterprise entity and, what were the 10 largest corporations or entities in which or to which the government had invested or loaned money?

2. (a) What was the (i) net profit or loss for the 10 largest Crown corporations (ii) aggregate profit or loss for all Crown corporations for each fiscal year since 1968 (b) what is the aggregate percentage of return for all Crown corporations on government investment to date?

Return tabled.

[*English*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

BROADCASTING OF HOUSE AND COMMITTEE PROCEEDINGS

The House resumed, from Monday, January 24, consideration of the motion of the President of the Privy Council (Mr. MacEachen):

That this House approves the radio and television broadcasting of its proceedings and of the proceedings of its committees on the basis of principles similar to those that govern the publication of the printed official reports of debates; and

That a special committee, consisting of Mr. Speaker and seven other members to be named at a later date be appointed to supervise the implementation of this resolution.

Mr. Speaker: Order, please. When the amendment was moved by the hon. member for Grenville-Carleton (Mr. Baker) yesterday, the Chair expressed reservations about the procedural regularity, and it was reserved until there was an opportunity to examine the matter further.

On the one hand I recognize that the motion before the House calls for approval of the televising and radio broadcasting of the proceedings of the House and for implementation by a committee without interim report to the House. An hon. member who supports both the approval of the televising and broadcasting of our proceedings and also the implementation of them, but who seeks, perhaps, implementation in a different manner, ought to have an orderly way available to him by which to put before the House an alternative proposal for implementation by way of amendment—perhaps even including some constraints, although they would have to be viewed individually at the time—so long as such amendments in the subsequent paragraphs do not introduce the possible negation of the primary paragraph of the motion as amended.

On the other hand, the amendment that was offered by the hon. member for Grenville-Carleton, in referring the matter to a standing committee for study and report, seems to me to invite some decision by the House when the report or reports are received. Since such a decision might be negative, the effect would be that by voting in favour of the amended motion, the House had approved something in the first paragraph respecting which it was at least guarding the option to disapprove in the later paragraphs of the amendment.

Further, by paragraph 3, the amendment seems to raise a new notion of experimentation. This may be a new proposition, and an additional difficulty may be that it leaves unclear, after a vote on the amended motion, whether the House has in fact approved the implementation of the televising and broadcasting of its proceedings, or whether it has approved only a trial.

Since, after examining these difficulties, I am left with some considerable doubt, I thought it appropriate to indicate to those hon. members involved that I would invite argument on the matter at this time. I would hope to give consideration to the arguments presented and render a decision before five o'clock this afternoon.

The hon. member for Grenville-Carleton (Mr. Baker).

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I believe I understood what you said, but so that my argument may be directed to the exact point you raised, may I conclude from what you said that viewing the questions that were raised yesterday by Mr. Deputy Speaker, those questions are not in issue and that the issue I have to face is that raised by yourself? I wonder if I could have that matter clarified, as it would make quite a difference in the argument that I think I should put forward in answer to both points.

Mr. Speaker: To paraphrase what I said, there were two difficulties. Of course, I am inviting argument, and other difficulties may be raised by those who participate in the discussion. I see two difficulties: first, that the amendment, certainly by way of experimentation, may be raising a new proposition which entirely lies outside the scope of the original motion. Second, both by asking for a decision by a standing committee and by making reference to the possibility of a trial basis, the motion may offend the citation on page 389 of Erskine May's nineteenth edition, which reads as follows:

Every amendment proposed to be made, either to a question or to a proposed amendment, should be so framed that, if agreed to by the House, the question or amendment, as amended, would be intelligible and consistent with itself.

Therefore, the difficulties that I see are twofold: the amendment may become inconsistent with itself in agreeing to a certain proposition in its first paragraph and leaving out the subsequent disagreements in the later paragraphs, and also by introducing a new proposition by way of experimentation. That is, of course, subject to any other argument that may be raised, but that is what I am asking hon. members to comment upon.

Mr. Baker (Grenville-Carleton): Thank you, Mr. Speaker. With respect to our motion put forward yesterday, first you

suggest that the amendment may permit the committee to which it is referred totally to reject the principle of broadcasting. This is, in fact, negativing the basic purpose of the motion. I gather that Your Honour's second point is that you feel the paragraph referring to an experiment may be a totally new proposal which is incompatible with the motion.

On the first point I should like to suggest that the principle of broadcasting is specifically not touched by the amendment which, as you know, does not amend the first paragraph of the motion. It is the intention and direction of the amendment to set the committee to work, with the clear knowledge that the principle has been discussed and approved by this House. Nowhere in the body of the amendment does it say that the committee may examine the fundamental question of whether televising and broadcasting are to be allowed.

Hon. members may have noted that most of the amendment is a direct quotation from the 1972 report of the Standing Committee on Procedure and Organization. As the government House leader noted in his speech, this report approved the principle of broadcasting. Actually, the amendment specifically asks for the cost of and technical study of buildings, equipment, personnel and other requirements consequent upon the introduction of radio and television broadcasting. There is no mention in the amendment of the advisability of broadcasting. That particular proposition, as I view the amendment, is accepted for better or worse by the motion if it is amended in this way. I simply want to make it clear that the material tabled could well be supplemented by other material which I am sure has already been prepared, or may have been prepared. I would be surprised if it had not been prepared.

● (1510)

The last paragraph of the proposed amendment goes further than the 1972 report which suggested that the committee may make further recommendations for ultimate decision. I moved in my amendment that the committee should be authorized, in light of such studies and experiments, to make further recommendations to the House before permanent broadcasting facilities are installed. That is the point of my argument. If I had intended my amendment to permit a rejection of broadcasting, I would have said that there should be further recommendations as to whether permanent broadcasting facilities should be installed. In the context of the motion, the word "before" means ahead of, or prior to, in time. I suggest that is how the matter ought to be interpreted.

May I now speak to the middle paragraph dealing with privilege. That paragraph openly gives the committee the reference which the President of the Privy Council (Mr. MacEachen) said was intended for it during his speech. It is always possible that the committee, despite the motion, could produce a hostile report. I suppose that theoretically could happen to a bill in committee. Theoretically, it is always possible for a committee to do something unexpected or procedurally incorrect. If and when that happens, the Chair must examine the report and make a ruling at that time. I suggest, however, that such report is not contemplated by the amendment I proposed yesterday and would, indeed, be contrary to its explicit acceptance of the principle of the motion. The amendment lacks any wording which would justify the reopening by the committee of the fundamental question. That is the argument I advance to justify my position. However, with respect to the second point—

[Mr. Baker (Grenville-Carleton).]

Mr. Speaker: Order, please. May I interrupt the hon. member in order to clarify one point. There is not merely the concern that the committee may steer the matter in a direction such as the hon. member has just described. My difficulty goes beyond that and it is this: The committee may make a report which is not inconsistent with the view taken by the House now; but if the committee is to report, in my opinion that presumes that when the committee reports the House must make a decision on the basis of the report. If there is no basis on which the House can take a decision, presumably there is not much point in having the committee make a report. On the other hand, if there is to be some basis on which the House can take some future decision, my difficulty becomes apparent, and it is this: the procedure set out by the amendment would leave it open to the House at a future time either to fail to concur in the report, to reject the report, or in some way to take a negative position with respect to the report of the committee. That would mean that the House says it approves the televising of its proceedings, but may in the future disapprove. That is the fundamental difficulty of the amendment.

Mr. Baker (Grenville-Carleton): Sir, I suggest that is neither implicit nor explicit in the words of the amendment, an amendment to a motion which approves in principle the broadcasting of the proceedings of the House. That is what I meant when I said that the Chair would have to examine the report and make a ruling with respect to it after it had been brought forward. With respect, I do not think that ruling ought to be made now. I specifically do not think it ought to be made, in light of the wording of the motion proposed. As I have said, such a report is not contemplated by the amendment. Frankly, I think such a report would be contrary to the explicit acceptance of the principle of the motion. There is, as I have said, a lack of words in the amendment which would justify the committee's reopening the fundamental question of the motion.

The second point which I understand is troubling the Chair concerns the reference to an experiment. That suggestion, I admit, was also taken from the 1972 report of the Standing Committee on Procedure and Organization. That committee favoured only a closed circuit experiment. I brought forward that suggestion because I intended the term "experiment" to be part of my elaboration, for the committee's benefit, of the word "implementation" in the original motion. If the reference to that experiment stood alone as an amendment, or if that term were read in the context of a paragraph giving the committee permission to examine the whole principle of the question and bring in a report contrary to the principle of the motion, then I would agree that there would be a substantial alteration in the direction of the motion. However, if Your

Honour were to read the said paragraph in conjunction with that part dealing with the acceptance of the principle, I think my intent would become clear. The committee should be able to assure the House, after an experiment, that any technical equipment, personnel or procedural problems may be eliminated or can be eliminated if lessons learned from the experiment are applied when the permanent facilities come into operation. That is the context in which the matter ought to be viewed.

In my speech yesterday I said that my party accepts the principle of broadcasting the proceedings of the House but is concerned about the nature of the implementation process and the lack of input by parliamentarians. I put forward this amendment because I wanted to spell out what could be discussed by the committee supervising the implementation. I thought the Standing Committee on Procedure and Organization more suitable for that kind of supervision than the committee proposed by the government. I suggest that in some ways I clarified, and in some ways expanded, what the government had put forward in the motion. But the motion, amended or unamended—the point is important—will lead to the broadcasting of the proceedings of the House after input by the committee during the implementation stage. That is putting the matter in the proper order.

I suggest, in closing, and I say this with respect, that we differ only on the detail and not on the basic intent of the motion. I hope I have assisted the Chair.

Mr. Speaker: There is one point on which the hon. member and the Chair seem to be in disagreement. The difficulty arises from the fact that the hon. member's amendment removes the actual stage of implementation from the motion. The motion now includes both approval and implementation. The hon. member's amendment would set up some intervening steps before implementation; in fact, it would remove the implementation step. Because the implementation step is left open, the Chair is left in the position that the House may later decide not to implement, when in fact the original intent of the motion was to do so. That is part of the difficulty. Perhaps the hon. member would consider that while other hon. members argue this matter.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when you read the paragraph from page 389 of May's nineteenth edition, you quoted the citation on which I base my argument in connection with this motion. I point out that those same words appear on page 171 of Beauchesne's fourth edition as part of citation 203(1), which reads in part:

> Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the House the question or amendment as amended would be intelligible and consistent with itself.

Mr. Benjamin: The Tories are not consistent.

● (1520)

Mr. Knowles (Winnipeg North Centre): I am looking at page 171. I note one or two other references, although my argument will be based mainly on the citation I have already read. But we are also told, in subparagraph (3) of citation 203, that:

> An amendment setting forth a proposition dealing with a matter which is foreign to the proposition involved in the main motion is not relevant and cannot be moved.

I suggest that in so far as the proposed amendment brings in something that is foreign to the main motion, namely, a committee to consider whether or not, as opposed to a committee to supervise implementation, the amendment is foreign to the purpose of the main motion. I congratulate my friend, the hon. member for Grenville-Carleton (Mr. Baker), for recognizing the point that Your Honour made from the Chair and for trying to deal with it. As I take Your Honour's point, you are telling us that if this amendment were carried and the House had to vote on the motion as amended, we would have before us a proposition that would be inconsistent with itself. On one hand we would be saying that we approved the broadcasting of the proceedings of the House, but on the other hand we would be saying we are not going to do this until the committee has conducted experiments and made certain studies, that committee having the right to make further recommendations to the House. I appreciate the attempt of my friend from Grenville-Carleton to say that he does not intend that that committee should have the right to abrogate the approval that is contained in the first paragraph, but I suggest that that right is contained in the words of the amendment.

The original motion provides for a committee to supervise the implementation of something to which the House has agreed. The amendment proposes a different kind of committee, a committee to study the "ifs," "ands", "buts" and "therefores," with the right to make further reports before implementation is proceeded with. If we had that kind of motion before us, a motion amended in that way, we would have something that would not be intelligible. It would not be consistent with itself. In fact, the House could well be in a quandary as to how to vote on such an amended motion. On one hand it would say we approve the broadcasting of our proceedings, and on the other hand it would say we do not approve that process until there has been a committee study, it being accorded to the committee that it could make further recommendations. Since there is no limit to the recommendations it could make, the committee could recommend that we not go ahead with the proposition. The hon. member for Grenville-Carleton cannot ask to have it both ways. What we ought to have is a clear vote on whether we go ahead or not. The hon. member is asking that we seem to say "Yes" in paragraph one, but that we say "Maybe yes, maybe no" in the rest of the paragraphs.

I do not think that the debate needs to be dragged out. Your Honour stated the questions that face us with regard to this amendment. I think you were right in quoting the paragraph you did from May's nineteenth edition. Because this amendment would put before us an unintelligible and inconsistent proposition, I think it should not be allowed as being procedurally in order.

Broadcasting House Proceedings

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the main motion is amended in one particular only. It substitutes one committee for another. Only the second paragraph of the main motion is deleted. There is no derogation whatsoever about the question of approval of the radio and television broadcasting of the proceedings of this House. At page 2303 of *Hansard*, second column, appears the amendment put forward by my colleague. There is nothing new; it concerns only the nature of the committee. The amendment substitutes a House committee on procedure and organization to look into the matters outlined. The main motion has a special committee under Mr. Speaker to supervise the implementation of the resolution.

If that committee failed to look into all the points contained in the amendment, I respectfully submit it would be derelict in its duty. If it found something very objectionable or very difficult, it might find it necessary to come back to the House. One must not close off the possibility that the committee envisaged by the main motion would have to come back to the House, unless the people on the committee are going to be mere sidewalk superintendents gawking at a technical installation. If the committee finds, for example, that there is a very grave difficulty with regard to the law of libel, what is its position? Under its mandate to supervise the implementation that committee might have to come back to the House and say there has to be a change in the law of libel. Supervision of the implementation covers everything, not just the mere technical installation.

If we look at the committee that was envisaged, the Standing Committee on Procedure and Organization, there is nothing contained in those words which derogates from the approval that is given. I want to be very careful about the language here, "That the committee be authorized"—merely be given permission, if need be—to make further recommendations. To do what? To make a recommendation with regard to the law of libel? I suggest that the committee under the chairmanship of the Speaker would have to do precisely that. So what is the difference? Its proper supervision of the implementation includes all of those things and possibly many more.

The House committee is only to be authorized; it does not have to, but is merely authorized. As a matter of fact, a proper drafting of the first resolution would have given the committee under Mr. Speaker direct authorization to make reports if it felt it should. Since it does not, all I will say as a member of this House is that if the committee runs into some very serious difficulties in the implementation of the resolution and fails to report to this House, fails to seek recommendations from this House, it will be derelict in its duty. To that extent, I submit there is a proper amendment because the nature of the committee has been changed: there has been a change from one thing to another. There is nothing foreign at all. It is a mere quibbling of words to say that there has been a fundamental change in the nature of the resolution.

[Mr. Knowles (Winnipeg North Centre).]

• (1530)

Therefore, I submit that the amendment is perfectly correct in that it does not in any way derogate from the approval given by the House. The committee is in one case given permission to report to the House; in the other case the committee will be extremely derelict if it fails to do so. To that extent, I submit the amendment is in order.

Mr. Ralph E. Goodale (Parliamentary Secretary to President of Privy Council): Mr. Speaker, I am pleased that you and your deputy took the admissibility of this amendment under advisement yesterday, because we on the government side have grave reservations about its propriety and suggest it is out of order for reasons to which Your Honour made reference this afternoon as well as those mentioned by the hon. member for Winnipeg North Centre (Mr. Knowles).

Yesterday Your Honour referred to two citations from Beauchesne's which bear upon this matter, citations 202(6) and 202(15). The first of these states:

> It is not an amendment to a motion to move that the question go to a committee.

I would simply point out that the last part of the proposed amendment obviously raises this problem about which Your Honour spoke earlier this afternoon. It means, presumably, that the committee, as Your Honour suggested, might recommend that somehow the principle of an electronic *Hansard* might not be proceeded with, and in this respect the amendment might have the effect of referring the question to a committee and might well be out of order in light of the citation from Beauchesne that I have just put on record. There is the further difficulty that it raises the possibility of the House approving two inconsistent propositions in the same breath, as it were.

I should like to refer more extensively to citation 202(15), which reads in part:

> An amendment approving part of a motion and disapproving the remainder is out of order.

And later on in the same citation, this wording is used, "An amendment to disapprove what the main motion approves is out of order." This aspect was referred to by the hon. member for Winnipeg North Centre, and I would like to make two points about it. In the first place, the supervision of the implementation of the resolution by a special committee consisting of Your Honour and seven other members constitutes an important principle—the direct involvement of the Speaker as the key individual responsible for the implementation of the resolution. As such, it is a central part of the question to be decided. The amendment, by establishing an entirely different mechanism for supervising the implementation of the resolution, disapproves what the main motion approves and is, therefore, I suggest, out of order.

Second, paragraphs three and four of the amendment instruct that experimental broadcasts be undertaken in consultation with the Standing Committee on Procedure and Organization, and that the committee be authorized to make further recommendations to the House before permanent broadcasting

facilities are installed. This, in effect, disapproves what the main motion approves, since the first paragraph in the main motion authorizes broadcasting on principles similar to those governing the publication of the printed official reports of the debates. Beyond doubt, a central principle governing publication of printed reports is that the reports be complete. The amendment would have the effect of instructing that an incomplete or experimental record be produced. Moreover, it would establish a committee which would not be empowered to arrange for broadcasting the debates on principles similar to those governing the publication of the printed record. This clearly frustrates the purpose of the main motion, that is to say, to establish a committee empowered to supervise implementation.

For these reasons, as well as those addressed to Your Honour by the hon. member for Winnipeg North Centre, I suggest that the reservations expressed yesterday were well-founded and that the proposed amendment is out of order.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I want to say something first of all about the motion itself. I believe that intrinsically it is sound in the sense that it is not out of order. In other respects, I believe it is a very bad motion, that it is inequitable and that it should not have been put down in its present form. However, this is not enough to enable me to suggest that it ought not to be accepted. If that were the case, over the last 13 years a great many motions put forward by the government would have been thrown out.

I precede my few comments by saying that I, personally, favour the principle of broadcasting the proceedings of the House by way of television and radio. I have been of this mind for a number of years and I shall say so again when I speak later this afternoon. I thought I would tell the Chair that, so that the Chair might know I am not trying to suggest that anything be done which would interfere with the motion being put. Possibly this is a case where the Chair, acting in a judicial capacity, might consider equitable principles in addition to the application of the Standing Orders.

The motion in the name of the President of the Privy Council (Mr. MacEachen) asks the House to approve the radio and television broadcasting of its proceedings, and the proceedings of committees, on the basis of principles similar to those which govern the publication of the official reports of debates. This, Mr. Speaker, involves a set of principles going back 135 years, changed, twisted and tortured from time to time by discussions, debates and decisions of the Chair in the House of Commons both at Westminster and here. Your Honour will know from your experience in the Chair that a number of these principles are even yet not firmly fixed. You will recall that a special committee of the House, under your chairmanship, has been given responsibility to deal with certain of the aspects covered by those words I have mentioned. I refer to the special committee on rights and immunities. That committee has not yet reported, so I shall not go into that aspect in detail. But Your Honour will recognize the difficulty attaching to some of the problems with which the committee is dealing. I say this as one who is strongly of the belief that radio and television broadcasting of our proceedings should be brought about.

I am not without concern with regard to related problems. As I say, the special committee under Your Honour's chairmanship will be considering some of the very issues which are bound to be brought to the attention of another committee should the present motion go through. I can look ahead and envisage the possibility of two committees reaching two different decisions, one committee being compelled to report to the House and the other authorized by the motion before us to proceed with the implementation of the principle of televising and radio broadcasting our proceedings.

In these circumstances, as a friend of the court, one might say, I make the following suggestion. I am sure the President of the Privy Council is aware of these problems and I shall deal with them later on when I speak. My hon. friend from Edmonton West (Mr. Lambert) has adverted to them. I have considered these things over a number of years, and Your Honour is aware that they are not easy issues to determine. I am sure it is not without some interest to hon. members to know that in most jurisdictions where the televising or radio broadcasting of proceedings has been permitted, accompanying legislation has either been enacted or recommended. My hon. friend for Edmonton West put his finger on this; we have considered it. I think it is most likely, when we open this Pandora's box, as we must, and set loose some of the objects inside the box, that we may well be driven to enacting some form of legislation.

• (1540)

I should like to think that the President of the Privy Council (Mr. MacEachen), and my hon. friend for Grenville-Carleton (Mr. Baker), would consider reframing this motion in terms which will give effect to the kind of concern that a number of us, who still favour televising our proceedings, have so as to permit a committee of the type envisaged in this motion to consider this particular aspect and, if necessary, to report back to the House. I do not need to recall to Your Honour that there is no constraint placed upon this particular committee which is to be established under the motion to report back to the House; it is a mechanism for implementation, which is, of course, one of the problems Your Honour has raised.

In view of those facts, I think we would be very unwise to let this motion go without having an opportunity to study the kind of caveat I have attempted to make and which has been referred to by my hon. friend for Edmonton West. Perhaps a motion could be drafted which would take into account these matters, not one which would prevent the passage of the motion or one corresponding to it, or the implementation of the motion, but which would take into account the very serious difficulties which lie ahead.

There is nothing to stop the committee, on the basis of this motion, from meeting under Your Honour's chairmanship and two months from now proposing that implementation commence forthwith, having regard to what might be called the physical and mechanical situation. Much as I favour and

strongly approve of so much of what might be done and can be done by broadcasting the proceedings of this House, I would be very unhappy unless there were some constraint in respect thereof and the dangers that exist were taken into account. I make this suggestion, Mr. Speaker, in the hope that some time might be given to allow the debate to continue. It may well be possible to frame a motion which does not in any way restrict what the government is proposing to do, but which does take into account the potential dangers that I have tried to point out.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, given the importance of the subject you have dealt with in the House of Commons, that is whether or not the motion on resolution No. 8 was acceptable, I would like to make the following point: resolution No. 8 is in fact a statement of principle. It comes down to saying that the House approves, in a general way, the radio and television broadcasting of its proceedings and of the proceedings of its committees on the basis of principles similar to those that govern the publication of the debates. Therefore, Mr. Speaker, it is a resolution which on the whole is non limitative and which constitutes acceptance in principle of the television broadcasting of the proceedings of the House of Commons and its committees. The resolution does not indicate any application date. In the second paragraph, it says that there will be a committee.

Now, Mr. Speaker, the creation of this committee is precisely what should incite you, with all due respect, to accept the resolution submitted by the hon. member for Grenville-Carleton (Mr. Baker). For the very simple reason that the government motion proposes:

> That a special committee, consisting of Mr. Speaker and seven other members to be named at a later date, be appointed to supervise the implementation of this resolution.

The first part of the motion amounts to a mere approval of the broadcasting of the debates of the House of Commons to allow Canadians to know how we are working. In the same breath the government proposes the creation of a special committee over which you will preside and which will supervise the implementation, but the implementation of what? The implementation of technical measures relating to the approval in principle of the first part of the motion, the broadcasting of the debates, which, Mr. Speaker, indicates that the government will study the technical details when and only when the broadcasting of the debates will have been adopted in principle.

Mr. Speaker, contrary to the opinion of my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles) who referred to citation 203(1) of Beauchesne's Parliamentary Rules and Forms where it is said that the essence of a proposed amendment should not be changed, the amendment that the hon. member for Grenville-Carleton (Mr. Baker) proposed does not change the government motion. As far as I know after reading and rereading it several times, it is not opposed to the broadcasting of the debates either.

Mr. Speaker, the amendment of the hon. member for Grenville-Carleton in no way opposes the essence of the government motion, quite the contrary. But the principle or the aim of the amendment, and this is what we should remember, is that a special committee be created. Instead of proposing the creation of a special committee, the hon. member proposes to refer the matter to the Committee on Procedure and Organization. Before approving in principle the broadcasting of the debates, the hon. member proposes that we study right now the technical aspects relating to the approval of the broadcasting of the debates.

Mr. Speaker, consequently his amendment is not opposed to the essence of the motion presented by the leader of the government. Strictly speaking, we want to know if we are really going to be aware of the consequences of the broadcasting of the debates before or after approving the motion.

In his resolution the government leader proposes that we accept to have the proceedings broadcast and that a special committee be appointed under your chairmanship to supervise the technicalities of the implementation of such a resolution. The hon. member for Grenville-Carleton (Mr. Baker) proposes that we do not oppose the televising of proceedings and that the question be referred to the Standing Committee on Procedure and Organization—which already exists and which is a committee of the House of Commons—for a study of its technical implications. As the second paragraph of the resolution puts it:

> That the cost and technical studies of building, equipment, personnel and other requirements consequent upon the introduction of radio and television broadcasting of the House of Commons and its committees be referred to the Standing Committee on Procedure and Organization for study and report.

The question before us therefore is not whether to refer to the Standing Committee on Procedure and Organization the principle of broadcasting House proceedings, for that would not be the situation if we were to adopt the resolution of the hon. member of Grenville-Carleton (Mr. Baker). This committee would not be responsible for studying the principle of broadcasting House proceedings. This is irrelevant and therefore I submit that the motion of the hon. member of Grenville-Carleton is in order; it would allow us, before we start broadcasting House proceedings, to know what are the technical implications, the costs, the periods of broadcasting and what consequences it would have on the rights and immunity of the members of the House. I sincerely hope that Your Honour will recognize that the amendment moved by my colleague the hon. member for Grenville-Carleton is in order.

[*English*]

Mr. Baker (Grenville-Carleton): Mr. Speaker, I thank you very much for indicating that I might be able to say something at the close about what has been said during the course of this discussion. With respect, I do not think I should deal in considerable detail with the provisions in our rules referred to by the parliamentary secretary. He referred to citation 202 of Beauchesne's, I think paragraph (6), and I think he also referred to citation 201. However, I gather from what Your

Honour said at the outset that that is not the issue which is troubling you.

● (1550)

In respect of the proposition put forward by the hon. member for Peace River (Mr. Baldwin), I certainly would have no objection to sitting down with the government House leader to see whether something acceptable could be worked out in the way of terms of reference to that committee in the spirit suggested by the hon. member for Peace River. I tried to make that clear in my speech yesterday, as I tried equally today to make it clear that in terms of broadcasting the procedures of the House, the position of this party, as well as my own personal position, is as has been expressed by the hon. member for Peace River. If something can be done in that respect, I would be the first to agree with the proposal; I think it is constructive.

All of us in the House want this matter to proceed in a proper and orderly way. I must confess to you, Mr. Speaker—and I think it is proper that I make my confession here—that I am very much concerned about the fact that Your Honour will be the chairman of the committee proposed by the government to deal with the issue. This has been one of my concerns, though I have not said it before, and that is why I am confessing it here. I am concerned about the fact that you will find yourself as chairman, firstly from your personal point of view, certainly, but as well from the point of view of the institution of the Chair as it has developed in this House. I can see the possibility of dangers for the Chair, and I do not think Mr. Speaker should be involved in that way.

There is another aspect of concern. If the hon. member for Peace River is correct in terms of what he is urging in the context of his speech, that the committee examine, then the committee Your Honour would chair under the motion as originally drafted, as opposed to the committee I suggested should be constituted, namely, the committee on procedure and organization, might very well refer the question of privilege, immunities and rights to another committee chaired by you, namely, the committee in which the hon. member for Peace River is involved. All in all, I think this is not the most constructive way of proceeding, notwithstanding the fact that I believe we should proceed in the way suggested and approved of in principle; that is, by way of a committee of the House with the responsibility of dealing with the important matters it ought to consider in terms of the implementation that is set forth and agreed to, as I tried to make clear in the first part of my motion.

In terms of the merit of the questions that you have put to me today, Mr. Speaker, I should like to advance one further proposition, and that is a proposition well known to both of us. In a parliamentary sense, at least, it is the proposition that I would call, for want of a better phrase, that of reasonable doubt. This is a proposition that applies to drafting generally. If there is or might be, some doubt as to the purport of an amendment, then that doubt ought to be resolved in favour of validity. Naturally, I would hope Your Honour would not be driven to that point, but I would respectfully remind you, without repeating it, of the proposition I put first.

I want to close by saying that my amendment was advanced very seriously, out of a very serious concern for this institution. It was advanced in the spirit of the statements I made in my speech yesterday on the principles involved in broadcasting the proceedings of this House. As I said in my speech, I find great difficulty, and others may not, in suggesting to the people of Canada that they do not have the right to see what goes on in their own parliament. That is the spirit in which the motion was advanced, and that is the spirit in which I am prepared to accept the suggestion put to me by my learned predecessor. I would be delighted to meet with the government House leader to see if we can resolve this matter.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I appreciate the importance of the commments made by the hon. member for Grenville-Carleton (Mr. Baker), the hon. member for Peace River (Mr. Baldwin), and the hon. member for Edmonton West (Mr. Lambert) on the irregularity of this amendment. I believe that as the argument unfolded in the debate it became clear that in a sense the hon. member for Grenville-Carleton was presenting a proposition different to the one embodied in the main motion.

I support the argument by the hon. member for Winnipeg North Centre (Mr. Knowles) when he suggested that acceptance of the irregularity of the amendment would place the House in an inconsistent position in dealing with the motion, because if the amendment were adopted it would be inconsistent with itself. The motion provides for a particular framework, and the motion must be looked at as a whole. It calls for the acceptance by the House of radio and television broadcasting of its proceedings and the proceedings of committees in accordance with principles similar to those that govern the printed record. Part of the amendment proposed by the hon. member for Grenville-Carleton contradicts that particular proposal because he talks about special or experimental broadcasting.

We have deliberately sought this committee under the chairmanship of Mr. Speaker as a very important element in the framework because of the authority and prestige the office holds, and because this is a committee of implementation and not of study and report. In a sense, that is the framework we have put forward. As I understand the proposition put forward by the hon. member for Grenville-Carleton, it is entirely different: it is a different proposition calculated to do different things.

I am not arguing against the desirability of new proposals being advanced, or suggesting that this is the only way in which this can be done. However, looking at it from a procedural point of view, I am persuaded that there is here a new proposition and that the application of Beauchesne's citation 202(15) goes directly to this point. Beauchesne refers to an amendment ruled out of order, and indicates that the Speaker has ruled that an amendment disapproving the principle of the main motion is out of order. Surely the amendment is designed to disapprove the basic framework that we have proposed.

● (1600)

I argue, therefore, in support of your intimations and the cogent argument made by the hon. member for Winnipeg North Centre, that this amendment is out of order. I take note, of course, of the comments made by the hon. member for Peace River, picked up by the hon. member for Grenville-Carleton, that it may be possible through negotiations to reach a common motion incorporating some of the elements that have been proposed and the elements that I regard as essential.

It was my view that in giving the committee the power and the authority of the House to implement, obviously it would take into account the personnel requirements, the equipment, the cost and the technical studies. These matters will be very much in the purview of the committee, as would be the rights and the immunities of members of the House. The implementing committee could deal with these, and indeed I could find myself, with a change of wording, accepting the third paragraph. Instead of talking about "experimental broadcasts", if we talk about "special broadcasts" prior to the implementation of a permanent system, then that, too, could be discussed further. But I do not believe we could accept any proposals that would prejudice a decision taken now by the House in support of the principles of television, charging a committee with implementing it. However, certainly it was my intention that that committee seek out and ensure that proper safeguards are put into place in accordance with paragraphs 1 and 2 of the amendment. So there may be room for bringing together a composite motion that would be desirable, because this question is a matter for the House as a whole. If we could do it in that way, it would be much better, and certainly I would seek to do it within the parameters that are important to me and taking into account the factors that are important to hon. members and upon which they have laid particular stress.

In reply to the hon. member for Grenville-Carleton with respect to the chairmanship of this committee by Mr. Speaker, it seems to me that we have had in the past Mr. Speaker act as the chairman of the committee on procedure and organization when we had to deal with unsettled matters by the House. Here we would be settling the principle and saying to the committee that the principle is settled and that now the committee should implement it in accordance with whatever exhortations we may want to put in the resolution as a whole. But I have confidence that Mr. Speaker and a group of seven members could be given the authority of the House to implement this motion.

I realize, Mr. Speaker, and I thank you for your indulgence, that this latter part of my comments did not deal directly with the point of order, but I did want to respond to the comments made by the hon. member for Peace River and the hon. member for Grenville-Carleton.

Mr. Speaker: Order, please. As I indicated at the outset, on the one hand I have some sympathy with the position of the hon. member who in looking upon this motion is in favour both of what has been described as the principle of televising and broadcasting the proceedings of the House and of implementation, but has some misgivings about the matters raised by way of the amendment of the hon. member for Grenville-Carleton (Mr. Baker). That position is conceded on all sides to be a valid one, expressing concerns about some aspects of the motion without attempting to depart from the main thrust of the motion, that is to say, the implementation of televising and radio broadcasting of our proceedings.

I have a special sympathy for that position in view of the fact, as I think hon. members will understand, that a motion such as this, distinct from a bill or a matter of budgetary estimates, does not have a committee stage built into it at which members who have concerns about cost and other considerations have the opportunity to question the minister who is taking responsibility for the carriage of the particular budgetary item or the particular bill before the House.

Accordingly, in a situation where a member seeks to give his approval to a motion that is on the order paper, but at the same time wishes to obtain clarification of whether certain costs are involved, whether certain structural changes might affect or prejudice the House, or whether there are questions about the rights and immunities of members, and whether it is appropriate that the committee be of one form or another, he does not have the opportunity to gain that sort of exchange in a debate on this kind of motion.

I therefore hope that hon. members will realize that I deeply sympathize with the position taken by the hon. member for Grenville-Carleton. In the final analysis, however, I am left with what is perhaps a narrow difficulty, but one which in my opinion is insurmountable; that is, that the proposed amendment of the hon. member for Grenville-Carleton has one fatal flaw, despite all its merits which have been conceded on all sides. Here I must disagree with the description of that amendment put forward by the hon. member for Edmonton West (Mr. Lambert); and I think it is innocently done. While the intent of the amendment clearly seems to be that the implementation procedures simply be changed, I am driven to conclude that the fact the implementation procedures are removed is the fatal difficulty, because the amendment does not say anywhere that instead of a Speaker's committee or some other committee implementing it in the way the motion is described, the committee on procedure and organization will supervise the implementation. What it does say is that, instead, the matter will be sent to committee for study and report and that certain steps will be taken before implementation, but it does not say that implementation will in fact take place.

In my opinion, this means that the two difficulties remain. One is that implementation may not take place if the amendment is adopted. If the motion is amended and adopted by the House, it leaves the matter of implementation open, and that is inconsistent with the initial proposition. It is, in my opinion, a new proposition. Secondly, what it does on the very narrow ground of the citation in May's nineteenth edition to which so many hon. members have referred, is to leave the House in a position, if the amended motion is adopted, of approving what is supposed to be the implementation and yet leaving it open in

the future to disapprove the very thing it has approved in the first paragraph of the motion.

It is because of the removal of the actual implementation language that I am left with the difficulty. I feel, therefore, that on the ground of that citation I must indicate that the motion as amended would be inconsistent with its own terms. Surely the effect has been achieved, and that is consistent with all the remarks that I made in which I have indicated my sympathy with the position of the hon. member who wishes to support the motion, but at the same time expresses concern for the matters raised by the hon. member for Grenville-Carleton, that there may be negotiations between House leaders to see whether or not a proper addition to the existing motion might be achieved which would take care of those concerns.

Certainly, it is valid to say that any committee over which I would preside would want to take all those considerations into account before advancing any implementation. However, further to such negotiations, I am sure it is not necessary to say that, having examined the wording of this ruling and the arguments that have been put forward at this time, not only are such negotiations open as the debate continues but it is open to other members to put forward other amendments which, if the negotiations fail, may make another attempt to achieve the same result.

● (1610)

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, normally I would be quite sympathetic to some of the arguments put forward by hon. friends on my right about the need to delay, scrutinize and not just to accept the resolution, because televising is a most significant and historic step. However, I have a tremendous sense of urgency about what is happening in this country at the moment, and that sense of urgency leads me to believe that it is vital that we not only televise the House of Commons but that we do it as quickly as is humanly possible.

Television is a medium which has many faults. It can distort, but what medium cannot distort? Television has one unique characteristic; that is that it reaches every corner of the country. It is a way of reaching people unlike any which has ever been devised by mankind. At this time when I think our country is in serious danger of disintegration, a desintegration which may come about because of ignorance, misunderstanding or the suspicion by one part of the country for another, it is vital that the people of Canada see directly what is going on in their House of Commons. I am sure that if people saw what was going on in the House of Commons, it would be a reassuring thing: they would be proud to be citizens of this country and they would want to stay in this country.

I think the fears which have been voiced, while they are real, can be overcome. With regard to the use of television, I am quite prepared to trust Mr. Speaker to be fair with the members of this House, considering the history of fairness of Speakers of this House. Not only our present Speaker, who is highly regarded, but also Speakers before him have honoured this House with their chairmanship of this chamber. On occasions when the Chair may in fact not behave in a way with which we agree, there are redresses. The House has control over itself; it can change things. If we find that some things are happening with which we do not agree and which could be done in a somewhat better manner, we can certainly make changes, just as we have changed legislation and the rules of this House over the years.

The urgency is such that I think we must proceed. A great deal of work has already been done with regard to television. We have had much discussion and there has been much examination regarding the arguments for and against the use of television, but I think the urgency which exists regarding our survival as a nation is such that we have to proceed with television.

Last night when speaking to the House I made the point that the continuous televising of proceedings in the House would take this House out of the hands of the press gallery. We desperately need that to be done. Even if we say that the newspapers, radio and television of this country are doing as good a job as they are capable of doing, nevertheless the information we get from those media is second-hand, selected and very often, unfortunately, hysterical and antagonistic. We have to take that power out of the hands of the press gallery. Certainly the gallery will still have its role to play. It can go on interpreting, and perhaps its role will even be enlarged. But there has to be something besides interpretation: there has to be a direct view of what is happening in this place.

The reformed Canada Elections Act provides funds for campaigns, and I think the same kind of situation applies here. The reason those funds were supplied was to assist people running for parliamentary seats, whether sitting members or contestants. The idea was to take that funding out of the hands of the big powers and to make members of parliament less beholden to others so that they could speak in an independent way. That also now has to be done with the media. The proceedings of this House have to be taken out of the hands of the media and broadcast directly to the people of this country.

In my remarks last night I referred to one aspect only of the media. I said that it was the nature of the media to look for headlines, to be antagonistic and to be almost anti-establishment by choice. However, there is one other aspect of the media which is critical at this moment. Last night I was talking essentially about the English media. Now I want to talk about the French media. The English media sees its role in a certain way, and from what I have been able to see the French media in the province of Quebec sees its role almost entirely as separatist.

I do not think there has been any greater influence for tearing this country apart than the people in the media in Quebec, and it is important—in fact, vital—that this House be able to speak to the people of Quebec and appeal to them to stay in confederation, without having to run the gamut of prejudice and bias that exists in the French media. It is all right to say that people who work in the media, whether newspapers, radio or television, have a perfect right to be separatist if they so choose, and of course that is so, but they

do not have a right—and this has been consistently abused—to use this position to influence others who are not inclined that way. It is frustrating, when this country is in such critical danger and when events are moving so fast, to try to decide what action we can take.

The Prime Minister (Mr. Trudeau) says that English Canadians have to demonstrate to French Canadians that we love them. I am paraphrasing the Prime Minister, but I think that is essentially what he has been saying. How can we say "We love you" when the carriers of the Valentine are not going to let that message get through? I know my own constituents may grumble about bilingualism and other things in connection with Quebec, but when we really get down to it there is no doubt in my mind that my constituents want this country to hang together. They want Quebec to stay in confederation, and I feel somewhat frustrated in trying to get that message across to the people of Quebec. I think that by televising the proceedings of the House of Commons we will be able to say what we feel and what we know to the people of Quebec without worrying about what kind of distortions will take place once our words get into the hands of the French media.

I want to refer back to something I started to talk about last night. I was talking about our responsibility as members of parliament. Without television in the House, and with the prodding which takes place in the corridors, there is a tendency for members of this House to think of their ridings in particular, rather than to see themselves as part of one of the great parties which exist. There is a tendency to see themselves as other than part of something called responsible government. We do not sit here as freelance individuals, but as members of a group who have taken a certain position. We have gone to the electorate with that position and we hold ourselves collectively responsible for that position.

One of the great difficulties, and perhaps one of the reasons democracy is fragile and falls into danger, is that people become too particularized. People tend to listen to loud voices, whether they come in the form of a letter or from someone on the street, and think these are the voices of the grass roots. A member of parliament can get a misleading impression by reading only the mail that comes across the desk or by listening only to the loud, broadcast voice or organized group voice.

● (1620)

On the question of English and French Canada, for instance, we could think that everybody in English Canada is ready to bid Quebec goodbye. That is the kind of mail we get. I am sure the same thing is true of the people of Quebec and the mail Quebec members get: Let English Canada go, sort of thing. But if you probe a little more deeply, as many of us do with questionnaires, and ask everyone—not just those who feel constrained to make representation to their member—you get an entirely different impression.

Another impression that comes through quite clearly in my riding, and I am prepared to say this and take whatever political risks are consequent upon it, is that people want the member of parliament to be a leader; they want the member of parliament to make a decision. Basically, they say, "You are there. You are in the debate. You are listening to the argument. You accept the responsibility and we will judge you at election time to the extent we think you have behaved responsibly, wisely, intelligently and to our benefit."

A member expressed concern that television was going to give him a national audience and he does not want a national audience; he just wants to talk to his constituents. We have to do more than talk to our constituents, Mr. Speaker. The problem of talking only to our constituents is that it reinforces the bigotry and prejudice that exists in every riding; it is to assume that such is our riding when in fact it is not. It is really to play, not to the gallery but to the dug-out. We have to avoid that even if it means political risk. We have to be able to go back on occasion—and I think the time is ripe now—and say, "We are in trouble. We are in danger. Those loose lips, those irresponsible remarks, are no longer in fashion. There is too much hanging on what we say and what we do." I think that message has to come from this House.

I will give an example, Mr. Speaker. Members know where their constituency is itching. Maybe it is in respect of textiles, shoes, storage of grain, the price of cattle—who knows? It may affect one constituency only, or a few, but it is reasonably important in those constituencies. Yet the party position is just the opposite. So members make a speech, send it back home, and nobody in the press pays any attention because they know it was just a throw-away speech that pleases the people back home. It reinforces all the misconceptions that exist. Then the party takes some other position because, after all, the party has to speak nationally. I think that is wrong, Mr. Speaker.

We cannot always agree with our party—there are cases where we have to digress—but we have to take the consequences. The party system is important. We are not a rabble, not a group of anarchists. We belong to groups of people who have come together for certain kinds of programs so that we can be identified, and when people vote for us they know what we stand for. Parties are important in this House in a way that the individual is not. Parties have to be held responsible and the individual has to be held responsible within the framework of the party. Some of us who are more inclined than others to be mavericks may not like this, but it will result in a great deal more discipline and each member being held responsible for what he says in this House. It will not be a matter of mailing an excerpt from *Hansard* to a constituency; everybody in the country will hear what a member of a party has to say on a given issue. I think that is important.

Mr. Speaker, my time is nearly up. I would say to my hon. friends on the right that I understand their reservations. I know there will be some problems, but I ask them to consider with some urgency the fact that we must have television in this House so that we can speak directly to the people of Canada. I know my friends on the right, as members of the opposition, understand that the nature of television is to favour the government and not the opposition. We can quarrel about that,

but it is an opinion that I feel strongly. I know it is going to favour the government, and therefore there may be some tendency on the part of the opposition to oppose it. That is a natural tendency. It will favour the government.

My friends on the right look at the latest Gallup poll and see themselves as the next government. The only thing I can say to them is that unless we settle what I think is a critical problem in this country between English and French Canada, there may not be a country for them to preside over even if they win the next election. For that reason, I think the most important contribution we can make toward understanding between English and French Canada is to put this House on television, and do it right away.

[*Translation*]

Mr. Jacques Guilbault (Parliamentary Secretary to Secretary of State): Mr. Speaker, I should like to start my remarks by saying, first of all, that I am delighted to have the opportunity of taking part in this debate. I am of those who, publicly as well as behind the scenes, have worked for months, even years, to bring in this change which, to my mind, is essential. I mean, to take the debates of the House of Commons to all Canadians, through the most modern of media, namely television.

● (1630)

I must confess that for quite some time I used all the resources at my command and the influence I may have in Ottawa in an effort to convince government circles of holding a debate, as the earliest possible date, on the resolution before us today, which I shall endeavour to defend as best I can.

First I should like to stress the most important point, that whether we admit or not television is today the best of all means of communication. We have come a long way since Gutenberg discovered printing. The printed medium, which is still being used in all industrialized countries, is indeed quite different from television, in that it is a lineal medium. We learn what goes on by reading in a newspaper or a document a sequence of words, while television, through pictures, brings us information that is strictly global and which informs the spectator first hand. Television is the perfect medium, I repeat. Since the middle '60s, we have realized that the earthly globe is in fact an electrical network that links all human beings in such a way that they are no more and no less than tied to each other without being aware of it.

Perhaps the one who expressed this best is Professor McLuhan from Toronto who spoke the famous words that have now become a cliche: The medium is the message. In addition to being an extremely modern and a very powerful medium, television could solve today one of the most serious problems we are facing in the area of information. This problem which I would like to discuss for a few minutes is the growing lack of objectivity among newsmen, especially among writers.

As Parliamentary Secretary to the Secretary of State of Canada, I have relatively often the opportunity to meet people who produce programs for private or even public television and radio stations. Again last weekend, I had a discussion with the moderator of a very important and very popular public affairs program on the French network of the CBC who stated flatly that objectivity was a thing of the past. People in the field of information want to be able to say what they think, whether others agree with them or not, and I may be repeating the words of the previous speaker who, for his part, did not agree with them. Perhaps he is right. Perhaps people who work in the media should try to be more objective and to report events as they happen. But reality is different. Today's reporter wants to give his own opinion. And unless we censure and control what is happening in the information fields, I think that it would be very difficult for parliamentarians to change the situation. The only way to do so would be to give the spectators, the voters, direct access to the event, thus avoiding the screening now done by those responsible for information.

Direct access to the event is the central point of the present debate. The question we must ask of ourselves is as follows: Are we afraid that what happens in this chamber and which concerns everyone in Canada will be known directly by the public and that the public may judge the validity of the proposals debated in this House? This is the question. In my opinion, it is also the first good thing that would come out of broadcasting the proceedings of the House.

If it were possible, we, the government, the Liberal party, would like all Canadians to be able to get into this House at the same time to witness what we are saying, to hear what concerns them and to determine by themselves whether such a speaker is right or whether what another one is saying makes more sense.

This is not physically possible, but with the help of wires and cables, television will bring our speeches to the homes of all citizens who will want to tune in to the station carrying our message.

An hon. Member: The Conservatives are ashamed of that!

Mr. Guilbault: I think that one aspect—

Mr. Lambert (Edmonton West): Would the hon. member allow a question?

Mr. Guilbault: I am ready to reply to the questions of the hon. member if he will allow me to conclude my observations. I think the one point we should not forget concerning the proposed program is that the material filmed or produced here would be available to the electronic media, that is television and radio.

So, far from undercutting the television stations, far from by-passing them, this proposal would allow them to obtain excerpts they could use which would only increase tenfold the potential work by the present media. I think we should immediately start the broadcasting on an experimental basis. I have it from Bell Canada that they could provide us on very short notice and at a minimum cost with a system that would allow us to reach the people who subscribe to the four cablevision companies in the Ottawa-Hull area. So those people

could—and there are 175,000 families—on very short notice on an experimental basis see at home what is going on in this House, and we all know that the Ottawa-Hull area is probably the area in Canada where voters are the most aware of federal politics since they hear about it everyday through their traditional media.

It would be just as easy to extend this service to the Montreal and Toronto cable networks using what Bell Canada is using, its occasional network of television channels. This would allow to reach an additional one million homes. After that, the rest of Canadian homes could be reached via satellite or other appropriate means. I will come back to those technical considerations later. But seeing that someone on the other side wants to speak to me I could perhaps excite him a bit by saying a few words about the veiled opposition coming from the other side of the House to the resolution now before us. I say "veiled opposition" because we are told they want to introduce an amendment which far from going against the principle would seek to amend it somewhat. It is not difficult for a parliamentarian who has been in this House for a few years to distinguish dilatory tactics from normal amendments. But I think that what they are proposing is much more like something aimed at giving a nice second class burial to the resolution before the House.

But what in hell does Her Majesty's Official Opposition have to hide? Are they afraid that soon Canadians will be able to see what is going on in the House, everything that is said here on one side as well as the other? I do not know exactly, but I have my idea. Maybe they are afraid that the non-constructive attitude with which they are discharging their opposition responsibilities would become apparent and visible to all Canadians. They always say: The government is wrong in all respects, the government is responsible for all evils on earth. The policies proposed by this government are always irresponsible. Well, if the opposition wants to hide this fact I have no objection. And I have no objection if the government proposals—I usually find them correct, but I can be mistaken—I do not see why all Canadians should not see them as they are presented in the House and I am ready to submit to that examination.

Would the official opposition of Her Majesty like to hide the fact, for instance, that its leader is very seldom in the House, that he was not here yesterday at the opening of the debates, preferring to travel across the country and shake hands with people, an approach which is probably more beneficial politically but much less efficient for a party leader anxious to level constructive criticism at the government here in this House where the action is. Maybe that party wishes also to hide or delay as long as possible the knowledge on the part of Canadians that they have no program and no solution to the problems facing Canadians? It might be for those reasons that the opposition tries through dilatory tactics to delay the adoption of this resolution.

Well, let us turn to something more cheerful. I would like to suggest a way of broadcasting the programming of the House

debates and one such method to get our message across to the homes of Canadians would be to use the cablevision network.

I must be understood that Canada has the greatest number of cablevision networks in the world. No other country has as many independent cablevision networks nor as many cablevision outlets in private homes. A simple example would be the hearings of the Quebec Commission of Inquiry into Organized Crime which, as we all know, are broadcast by Quebec cable distributors to more than a million viewers, which is a considerable number. Although important the Quebec Commission of Inquiry into Organized Crime has certainly not the weight of the federal government. Nonetheless, it interests a million viewers who want to see what is going on. We can well imagine the reaction of Canadian viewers to debates on subject that interest them more closely and are discussed here in Parliament.

I would like to describe a bit more precisely the way the message of the Quebec crime probe is transmitted to the viewer. The commission hearings are prerecorded, that is they are filmed by a group of technicians working for the various cable distributors. The cassettes are then transmitted during the night to the various cablevision networks and the prerecorded message is broadcast the following day. At first hand, this would seem to be less advantageous than direct broadcasting but it turned out to be quite the contrary.

What happens is that that very same night the constituent sees something exciting during the news broadcast. He sees a short thirty second sequence on a certain point of the inquiry, he is thus interested in seeing the full proceeding, and seeing what the various protagonists have said, in length and in context. We might perhaps consider this method of broadcast for our debates? I offer this as a suggestion.

● (1640)

[*English*]

I would now like to go to some arguments in my favour which are worthy of mention because they back up this proposal rather strongly. The first is that little or no discomfort will be caused because new cameras can operate without increasing light levels in the House. The cameras themselves and the technicians will be unobtrusive and will not be placed on the floor of the House or allowed to move about. It would arouse interest in parliament and in the democratic process. Every member of this House knows that is badly needed.

This place is the weaker if it is not fully reported to our fellow citizens and reported in ways which they can plainly see, understand and feel involved in. It would focus attention on the way in which we conduct the nation's business. We would do it more efficiently and the broadcasting of our proceedings would show up our deficiencies and help us to overcome them. That is for those of us who are not afraid of being scrutinized.

We should use the most effective medium of communication that is available to the public today. That is, without doubt, television. Television will be good for parliament, not because it will allow us to keep our traditions completely but because it

will be a catalyst for change. Those of us who want change and progress in this institution, who want it to evolve toward a more businesslike and efficient procedure, will welcome television because it will assist us to that objective. It would help to show the public what are the hurdles and obstacles in the way of progress in parliament. It would help us to explain to our constituents the problems which confront us in our day-to-day work. It would demonstrate the weakness of MPs in trying to influence the government and the executive.

More than 20 countries already broadcast their proceedings. Cameras have already been allowed to broadcast selected government events. There is no reason why we should not allow them in here for good. The UN and the Council of Europe have long been accustomed to cameras recording their proceedings.

I wish to say a few words about a fear that some have, namely, that grandstanding will begin and our proceedings will be changed. In my opinion, the buffoon would be exposed as a buffoon. Experience in Germany has shown that the stars are not the flowery orators, comic performers or the buffoons. They are those members of the Bundestag who know what they are talking about. However badly they may deliver their speeches, and however inadequate they may be as orators, if they know what they are talking about and if what they talk about finds an echo in the experience of their audience, they become the stars of that program. There would be more opportunity for members who are now never invited to appear on television—people who know their subject very well but who have to demonstrate their knowledge in committee rather than on the floor of the House. It is no excuse for keeping cameras out to say that viewers would misunderstand what is happening—empty benches, for example. Viewers would quickly discover and understand what happens in parliament.

Broadcasters are responsible people and have shown themselves to be so. Broadcasters would do a better job than the press does now. Being an electronic medium, it is more prone to show the truth because it shows things as they happen. If we think that television will distort parliament, we should ban the press from parliament. Who in this House is ready to do that? Television has a much better record of impartiality than does the press, for the reasons I have mentioned. You cannot play too much with the media.

How will we know whether televising parliament is good, or bad, if we do not carry out an experiment? We should move now while cable channels are available. With the exception of Toronto, in most cities across the land they were empty a couple of years ago. They are now crowded in Toronto and will soon be crowded in Montreal and Vancouver. If we want to move in this direction, we should move now. Otherwise it will be too late.

[*Translation*]

And finally, Mr. Speaker, as the hon. member who spoke before me, I would like to call upon Her Majesty's Loyal Opposition to review their position, to support the motion in order to better serve democracy and Canadians as a whole. If they were right in their repeated suggestions in this House that the Liberal government have such a poor performance, that our policies are so bad, why in heavens are they afraid that Canadians see what goes on in this House? The whole nation could observe the government develop their policies. If the Progressive Conservatives are right in their analysis, they would have a tremendous political interest in allowing television.

Mr. Deputy Speaker: Would the hon. member for Saint-Jacques (Mr. Guilbault) allow a question by the hon. member for Edmonton West (Mr. Lambert)?

Mr. Guilbault: Yes, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Edmonton West.

Mr. Lambert (Edmonton West): Mr. Speaker, in the event that the proceedings of the House and of its committees are broadcast, could the hon. member tell me who would be responsible for broadcasting not only from a technical point of view but on a national basis? Who would carry the cost? Will they be broadcast on a regular basis or will broadcasting be limited to small parts of our proceedings, on national news reports?

Mr. Guilbault: Mr. Speaker, first of all I would like to tell the hon. member that I am indeed a parliamentary secretary but not to the President of the Privy Council, and I am not aware of everything which happens there. One thing is for sure, the committee which will be set up by the House will make recommendations which will be submitted to Parliament and which will provide a better answer to hon. members' questions.

If the hon. member wants to know what I think of it, I am prepared to give him immediately my true opinion. In my view, a parliamentary body should be responsible for recording and production. If a committee under the chairmanship of Mr. Speaker must be responsible for the implementation of this resolution, I suggest that this committee should designate people to operate the machinery and it would seem desirable that those be employees of the House of Commons. On the other hand, I would say that there are numerous ways of broadcasting. I referred earlier to cablevision. I, for one, have made in-depth research in this area. I know for instance that CBC would not be able to broadcast a large part of our proceedings because they would have to reorganize completely their programming. I know that already. It would probably be the same in the private sector. Therefore, the options at our disposal as regards distribution are probably cablevision, and then other means that we could decide to set up but which would probably be more costly. This is the answer I wanted to give the hon. member for the time being.

● (1650)

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in the few minutes which are left before five o'clock I do not suppose I

shall move too many worlds. Let me say first of all, however, that I approve the attempt by the government and the House to introduce a system of broadcasting and televising our proceedings, as do a number of other members of the party to which I belong. We may not all be of the same mind. We do not follow the herd principle as do other political parties. It is my view that issues of this kind, like issues having to do with the rules, are the property of the members of the House and not of political parties, and it is for hon. members to listen to their conscience on this issue and decide as they see fit. Parties have a considerable role to play, but an issue of this kind is one which should reflect the views of hon. members.

I agree with a good deal of what was said by the hon. member who just resumed his seat. Some of the reasons for which he indicated that members on this side would not favour the measure will not, in my opinion, be borne out. But even if he is right in his assumption, I believe members on this side would have far more to gain from television. No one who has been in this House for the last two or three years and observed the litany of shame which has dogged the footsteps of the government, from the illegal tendering practices of the CMHC in connection with Rochdale College in Toronto right up to the time of the CANDU sales, will have failed to observe an aura of scandal around the periphery of the government and its officials. It can only remind me of a prehistoric monster bogged down in primeval slime and lifting one foot to get out, only to be bogged down in more of a mess. I suggest that any objective observer would conclude that Her Majesty's Loyal Opposition has far more to gain from watching the operations of the kind of government we have seen here.

As for the hon. member for Waterloo-Cambridge (Mr. Saltsman) who said, in effect, "Let us get on with this without spending any more time on it", I would say such an attitude is the trade mark of the socialist party which has been trying for years to construct a socialist heaven without any measure of success. They remind me of a contractor who builds a 60-storey apartment building starting from the sixtieth floor and trying to reach down to the foundation.

As I say, I am in favour of such a motion as this, but we have to look at it carefully. I support it for a number of reasons, many of which have been stated by hon. members who have spoken previously. But this does not mean we ought to sit idly by and let the measure pass without expressing certain concerns which we feel, or offering suggestions for dealing with the serious impediments which face the House or which would face any legislative body attempting to introduce a method of communicating its proceedings to the public through the electronic media.

The future is rife with difficulty. Many have suggested that this country is in trouble because all too often we have passed, too readily, ill-digested legislation without giving consideration to the consequences. Time and time again we have been obliged to introduce amendments in an attempt to make good what looks bad, to remove difficulties and make a bill or a project work. The hon. member asks us to pass this quickly and then, presumably, forget about its implications. Mr. Speaker, it is our responsibility to understand that this is a serious and important step which the House is being asked to take. I want to make sure that it works and that it is not left in the position of so many of the things we have done—things which were ineffective and which did nothing either for this House or for the people of Canada.

There are certain conditions we ought to consider. I hinted at some of them in the course of the remarks I made during the procedural argument. At the present time the House has a written *Hansard* based on a statute of the United Kingdom passed in 1840, and supplemented as to the rights of members, as to what they can say in the House, as to the right of the media to print or broadcast what we say, and as to the rights of the public. All too often the rights of the public are forgotten in debates of this kind. It is my intention, before I complete what I have to say, to affirm that the public has rights and that we would be delinquent in our duty if we failed to enjoin the committee which is to be established to take into account this consideration.

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

• (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hochelaga (Mr. Lavoie)—Manpower; the hon. member for Selkirk (Mr. Whiteway)—External Affairs; the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn)—Government Administration.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Mr. Deputy Speaker: Order. Hon. members will have noticed that Bill No. C-210, in the name of the hon. member for Selkirk (Mr. Whiteway) has been appearing on the order paper since the opening of this session. It reached first place at an earlier date and was stood at the request of the government. There has been some agreement to proceed with the bill today, but before doing so the Chair must enter a caveat with respect to the procedural acceptability of the measure, since it provides for the establishment of classification boards after negotiation between the federal government and the provincial government for the control of obscene literature. In the opinion of the Chair, this would constitute a charge on public funds,

something which can only be done through a minister putting forward a royal recommendation.

Hon. members are very much aware, I am sure, of Standing Order 62(1) and citations such as citation 243 of Beauchesne's which preclude hon. members from proceeding with money bills or bills with money recommendations unless there is a royal recommendation. This is a very strict restriction which is imposed upon private members who do not have the opportunity of reaching their representative of the Crown and seeking such recommendation. However, because of the understanding that we proceed today with this bill at the request of both sides of the House, having made this caveat I feel the debate should proceed on the merits of the bill, provided that before the question is put the Chair would invite hon. members to express their views so a decision on the procedural acceptability of the bill can be given.

Mr. Goodale: Mr. Speaker, I shall not take very much of the time of the House at this point. May I simply thank Your Honour for your expression of concern as to the procedural point you have raised. I think it is advisable to proceed with the discussion during the hour that we have available to us at this time. Your Honour would, of course, have to reach a decision on the point you have raised before any vote could be taken.

May I just express to Your Honour and to the House, perhaps a little belatedly, my appreciation for the co-operation and consideration shown by the hon. member for Selkirk (Mr. Whiteway) during the period before Christmas in helping us arrange the work of the House in regard to private members' hour. We did impose upon him at very short notice, and I should like to thank him for his co-operation at that time.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: All this being said, we will now proceed to the consideration of Bill C-210.

* * *

CRIMINAL CODE

MEASURE TO MAKE IT AN OFFENCE TO SELL OR EXPOSE TO PUBLIC VIEW RESTRICTED LITERATURE

Mr. Dean Whiteway (Selkirk) moved that Bill C-210, to amend the Criminal Code (obscene literature), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, before getting into the principle of the bill I might say that my attitude to this matter is indicative of the co-operation that the official opposition always extends to the government so as to allow the government to proceed with its absolute right to govern and to bring forward legislation to the betterment and welfare of all Canadians.

We witness many problems of great magnitude in Canada today. We have economic problems, unemployment, housing problems, problems related to the handicapped, which we debated in this very chamber yesterday afternoon, and serious environmental problems such as the Garrison diversion project which affects Manitoba. But standing head and shoulders above all these is the problem of moral decay. Moral decay is an issue which transcends petty party differences. It goes to the very moral fibre of the nation and to the very heart of its people.

I realize that I face a dilemma here. It is a dilemma that has been debated in legislatures and parliaments for decades. The dilemma has to do with the separation of church and state; that is, separation of moral law and political reality. Some of the great questions which have been raised in this regard are as follows. Does the Christian church have the right to demand that state law be consistent with biblical law? Does the state have the right to enact law that allows or disallows actions that violate moral law? Does the state have the right to restrict the freedom of citizens—and by that I mean the right to impose censorship? Should the state allow absolute freedom when the freedom of one man becomes the bondage of another?

I suggest, Mr. Speaker, that whatever else the duty of government might be, it at least has responsibility for placing in position laws which restrain those who would extend evil and corruption. It should put into place laws which encourage the doing of good and the application of love and justice. I maintain that any law which allows unrestricted distribution of anything which postulates obscenity is wrong, degrading and destructive of the very moral will of the nation. Those who support uncontrolled permissiveness in the name of individual freedom and liberty are, at best, nothing more than blatant moral anarchists.

From time to time statements have been made inside and outside legislative chambers that you cannot legislate morality. Sir, I suggest that you can. Martin Luther King once said that laws cannot change the hearts of men, but that laws can change the acions of the heartless.

I think it would be helpful if we took a look at the bill, and specifically at what the intent of the bill is. Essentially, this bill would set up classification boards in all provinces.

With regard to the point of order that has been raised, I think the intent of the bill makes it obvious that those who sit on such boards would be volunteers, non-salaried and hence not a burden on the treasury. Thus, no royal recommendation would be required. It would not involve the expenditure of any federal funds. As a matter of fact, in most provinces classification boards already exist, primarily to classify movies. These classifications are known by different terms in each province, but generally they range from general viewing, which is viewing for all, to restricted viewing, which would limit the audience to those of legal age, which is 18 years or over.

The boards to be set up by my bill would simply classify written literature, primarily magazines, and so on. These magazines or literature classified as restricted would not be permitted to be sold in outlets frequented by children, I have in mind the corner grocery store, such as Mac's Milk, the kind of store which kids run to in order to buy candy, or those visited

by school children during the noon hour. It is in these kinds of places that I believe restricted material ought not to be sold.

It is a sad commentary on our times that anyone who speaks out against pornography runs the risk of being branded by those who defend freedom of expression. My ideas in this House have been branded as paramount to dictatorial censorship. Sir, I will not yield to such arguments. Basically, it appears to me that pornography, whether appearing in literature or on radio, television, in films or on the stage, can be handled in one of three ways. We can ignore the whole matter; we can attempt to legislate the objectionable matter out of existence; or we can try to achieve our goals through persuasion.

I have chosen to follow a democratic rather than a totalitarian response to any of these issues which affect us as a society. In a free society, legal restraints must be justified by an awareness of the harmful consequences that flow from the activities to be restrained. We have assumed that because pornography, or even reference to pornography, tends to shock, therefore the best kind of action is inaction. But citizenship in a society establishes a social contact with our fellow citizens. That contact is a very tender thing, capable of being affected by a great many different influences. It is built on trust and good will, a desire to work for the common good and to yield up rights for the sake of the rest.

● (1710)

We also hear the argument that the state has no business legislating morality, and I have already made reference to that. But, in fact, the state is doing it all the time, and simply because many people do not recognize or do not want to recognize the moral questions involved does not remove them: they are there. Take, for instance, the doctors and nurses who are constantly being pressured to participate in abortions against their conscience. Matters of morality are in fact here. They face us every day in this chamber. We make decisions in respect of them. In fact, in the western hemisphere, at least in Canada under the parliamentary system which is based on the Judea-Christian concept, moral decisions are faced daily.

There are reasons to believe that we should be concerned that the legal restraints have not been stringent enough. Widespread access to pornography constitutes a frontal attack against the family. Pornography of all kinds, whether it is in the form of magazines or other forms, seriously undermines the family. Pornography which becomes easily accessible to children is extremely damaging because of its power to stimulate impressionable minds. Numerous sociologists and their studies have warned us about awakening too early the sexual drives of children. I am not a sociologist. However, I know their conclusions, though often times I cannot understand how they arrive at them. I think it would be agreed among most Canadians, certainly among most parents, that they do not want their children exposed to the kind of obscenity found in almost every corner store.

I could name some by name, such as *Penthouse*, *Playboy* and *Playgirl*. You will understand that I cannot remember the others. I am speaking not from experience but only from memory. There are many. The contact in early childhood with this kind of magazine, this kind of postulation that the abnormal is normal and the immoral is moral, makes a deep impression upon the minds of children.

There are several aspects of pornography that directly attack the family, whether aimed at adults or children. Pornography is devastating in its effect on the family, and pornography represents one of the most exploited industries in North America. We ought to be concerned about pornography because it is so unselective. Consider the unselectivity of an influence that stares at your children every time they walk past drugstores, magazine stands or the kind of stores I mentioned earlier. Gambling, for instance, is restricted to adults. Alcohol is not sold to anyone under the age of 18 years. But magazines and books can be picked up by any child. The more readily accessible they are, the more likely their influence is going to be carried over to children's very impressionable minds.

We need, above all else in this contry, to recover a sense of right and wrong rooted in an awareness of God. We are fooling ourselves if we think we can resolve moral issues without an appeal to a Supreme Being. The underlying assumption within our law codes is the belief in the God of the Judea-Christian religion. This has given us the basis for moving in directions which we believe ultimately achieve some approximation of justice and righteousness within society.

I would like to argue in the strongest possible terms that ultimately our salvation, specifically in relation to pornography, will hinge on a deep sense of God and our accountability to him personally. Furthermore, we need to be persuaded that a bad moral environment for our children will eventually create the conditions for the destruction of the country and the society we cherish with such devotion. People are influenced by what they think others believe, and especially by what they believe is the common standard of the community, which I have called in time past the common standard of decency. Very few people come to their own basic beliefs entirely from their own reasoning, and most of us depend on stable public opinion to support our own moral opinions.

If obscenity can circulate freely within a community and no protests are made, people will come to the conclusion that public standards are changed or that there are no public standards at all. Furthermore, our personal moral values must be careful nurtured. Ethical sensitivity is a tender thing. It is the intuitive feeling of right and wrong, the finer feeling of conscience, of mercy and of sympathy. Such emotions in children are indispensable in support for moral judgment, and these finer feelings can be eroded and stunted by a steady stream of impressions which assault them.

Children confronted with pornography and obscenity can become desensitized. Their moral sense will have been eroded, and when they feel that no voice is raised against that which is pornographic and obscene, they come collectively to feel that moral standards have ceased to exist. A bad moral environment will promote evil in the same way that a good moral environment is generally thought to promote good. It works

both ways. Our goal must be to help society to move toward a good moral environment.

In addition to what the bill recommends specifically, we should urge that governments at all levels closely examine the relationship of pornographic trade to crime; that is, the extent to which crime syndicates are involved in the sex trade and the extent to which crime is influenced by pornography. We should make an attempt to study the issue of pornography in the following terms: the intention of the writers; the use made of their work; the means used to advertise and sell their works; the context created for their work and the actual effects of their works upon consumers; from time to time have a review committee ascertain the moral content and determine whether it does, indeed, offend the morals and ethical sensitivity of a substantial portion of the community, and those which do can be withdrawn voluntarily by the distributor or face the possibility of prosecution in the courts.

To recapture the essence of the bill, I want again to emphasize that it does not attempt to redefine obscenity; it does not attempt to extend the definition of obscenity; it does not intend or attempt to legislate against or to prevent access to any written material except that which is already denied by the Criminal Code to all consenting adults. Those who want to buy it can do so.

Let me register this one personal caveat. Had I my choice, every Canadian would choose not to buy pornography, trash and that which makes normal the abnormal, and moral the immoral. I realize it is not my legislative right to legislate my morality on someone else. Neither is it their right to have access to any material, obscene or otherwise, that has or could have an adverse effect on children in particular.

This bill would, in fact, prevent the sale of restricted material once it was deemed to be restricted by classification boards. It would restrict that material and prevent it from being sold in outlets that are frequented by children. I believe that every member of this House could agree with and support this legislation. We are not in any way setting up censorship or moral standards. We are simply saying that until children become of age, let us not have them bombarded at every store with pornographic literature.

● (1720)

I hope that whoever answers from the government side will not stand in his place and say what the government cannot do or what it will not do. Parents from all parts of this country, from the east, the west, the north and the south, from every province and from every community, are waiting for action. This issue transcends party differences. The government and we members of parliament must act now. We have not the moral right to do otherwise.

Mr. J. Larry Condon (Middlesex-London-Lambton): Mr. Speaker, we have before us a bill which would add a new offence to the Criminal Code. It would make it an offence to expose material to minors which had previously been classified as restricted. Material would be classified as restricted by federal classification boards set up in each province. There is not one hon. member who would not applaud the hon. member for Selkirk (Mr. Whiteway) for the intent of this bill. If such a law were passed and later proved effective, we could all put aside at least some of our fears for the future morality of our children.

Let me ignore for the moment any strictly legal objection, because I for one am glad to have an opportunity to discuss the real question which I think is raised by this bill. I am sure most of us would agree that there is a great deal of literature available in magazine outlets, for example, which is not the kind of thing to which children should be exposed. I might say that some of this literature is the kind of thing to which even adults should not be exposed. In my view some of it is obscene, and I think there are hon. members on both sides of the House who feel the same way. However, it becomes more and more difficult every day to prove what is criminally obscene and what is not. Section 159 of the Criminal Code provides:

> any publication a dominant characteristic of which is the undue exploitation of sex, or of sex and any one or more of the following subjects, namely, crime, horror, cruelty and violence, shall be deemed to be obscene.

That seems pretty clear to me, and I would be very much surprised if my view of obscenity differs much from the view taken by the hon. member who proposed this bill. Yet, as I said before, criminal obscenity is difficult to prove. Why is that? I submit that Canadians as a whole do not agree about what is obscene and what is not. The Canadian community disagrees on the matter of obscenity, and this lack of strong consensus has great importance to the criminal law. I am concerned about obscenity, and I am equally concerned about the effect of so-called restricted literature on the morality of our youth. Therefore, I am concerned that our criminal law is not held in respect by the community as a whole, and particularly by that segment of our community which has little or no regard for the moral development of our children. It was in this spirit, I think, that the law reform commission said the following:

> We recommend that the Code should only prohibit acts generally considered seriously wrong enough to warrant the intervention of the criminal law.

The commission went on to say:

> Acts no longer so considered, acts whose wrongfulness is controversial . . . need special consideration.

Will someone object that the commission is recommending that the criminal law should have nothing to say about what most of us regard as moral offences? I do not think so. Quite the contrary. The commission seems to me to be saying, "It is not enough to have a criminal law full of high-sounding, empty words. We need a criminal law that works".

It seems to me that we must always be concerned about the effectiveness of the law, especially the criminal law. Do we want a Criminal Code which can be applied effectively, or do we want a criminal law which gives us some further false assurance that our children will not be subjected to restricted literature, even though the very provision of obscenity itself, a provision the meaning of which is clear to most of us, is contested by many and is very difficult to enforce?

There is hardly any limit to the definitions we could write into the Criminal Code. Only recently a lady in my constituency wrote to me to complain about what she called "some of the suggestive articles in *Homemaker* magazine." *Homemaker's* magazine, as I think it is more properly called, is delivered free and unsolicited to many suburban households. My correspondent took exception to an article in the October, 1976, issue of this magazine which extolled the virtues of adultery. I hope my constituent will forgive me for calling her "my correspondent". In any event, there was a great deal for the housewife to learn from reading the article in question.

According to a critical review in the *Catholic Register* written by Larry Henderson, the article declares that "affairs make you feel very feminine". I admit that it never before occurred to me in exactly that light, and I suppose there would be more than a few disgruntled but otherwise faithful housewives who might be swayed by the conclusion that "adultery benefits the husband." It seems that a little fling is just the thing, after the kids have gone to school, to inspire a good wife to prepare a good meal.

Some hon. Members: Order.

Mr. Condon: There can be no doubt, according to the article, that the husband "benefits in the long run". We are told—or, rather, the housewife is told—that there is nothing morally wrong in having an affair just so long as the good wife and mistress does not seek her fun with some malicious intent to destroy another marriage. What could be more malicious than to call one's lover at home, says the article, knowing that his wife will answer, and then burst into tears? Bad taste, to make such a scene. Morally wrong, without a doubt, goes the message. But if we believe what we read in *Homemaker's* magazine there can be nothing wrong with adultery itself. How, then, can we avoid the obvious conclusions which Mr. Henderson draws with tongue in cheek: the wife's lover must be the husband's best friend, and what every marriage needs is a little infidelity? According to my constituent, nevertheless, this sort of seductive trash is really pornography.

There can be no doubt that literature of this type is calculated to have an unsettling effect on the stability of countless shaky homes. Is there anyone here who would deny that anything which is designed to upset or undermine the basic family unit is deplorable? Not only, I suspect, would housewives be better off without such advice, but there is a strong argument to be made in favour of prohibiting the distribution of this kind of vicious nonsense. And we must remember that not only is this magazine available but it is delivered free of charge, and without subscription. Surely then the potential for harm is even greater and more widespread than with literature of any kind which is merely available. But what should we call this sort of thing in order to get rid of it? Can we call it pornography and wipe it away by writing it into the Criminal Code as a moral offence to distribute literature which has an undesirable effect upon the stability of the family unit?

• (1730)

I confess that, with all my sympathy for the feelings of my constituent, I would not have called it pornography. Yet as we all know from hard experience, the constituent is always right; and in cases of doubt like this one I turn to my trusty dictionary. Right there in my dictionary I find that the work pornography comes from a Greek word, porne, meaning harlot. And what is more, pornography can be defined as the description of the manners of a harlot.

Are we not talking about harlots when we speak of adultery? Is pornography, then, after all, such a far-fetched term for literature which encourages infidelity in a Christian society? Should we then not also add pornography to the Criminal Code?

Surely, Mr. Speaker, anyone who thinks that the addition of yet another refinement of obscenity would spare the helpless housewife from exposure to this "Housewrecker's Magazine"—as I would prefer to call it—surely anyone who thinks so is mistaken and naive.

What then, Mr. Speaker, do we have before us? We have a bill which is designed to add to the moral offences presently in the Criminal Code. We have a bill which is going to expand upon the definition of obscenity, a definition with which many well-meaning, but misguided, Canadians already take exception. It will not work, Mr. Speaker. It will not do what it is proposed to do. That is why we look for alternative means of accomplishing the same purposes.

Criminal law is not the only means by which we can attempt to remove the worst elements of moral decay. There are other weapons we can use. Among these other weapons I might mention the customs tariff which prohibits the importation of literature that is indecent or immoral. And I am sure that others will raise the very important legal objections to this bill.

How can we create classification boards, for instance, while the Supreme Court of Canada is ruling upon the jurisdiction of the provinces in a matter of morality? How can we accept a bill which does not at least provide for proper representation from all parties to alleged offences? These, Mr. Speaker, are objections deserving the most serious consideration. They are by no means frivolous. But it is my opinion that they are not the only objections which should carry weight in this debate.

We have before us, as I said at the outset, a bill which would increase the scope of the Criminal Code. But we need to be concerned, Mr. Speaker, with increasing the strength of that code. If the effect of this bill would be to weaken our criminal law—and I believe it would—we should reject it because we are convinced that it would not be effective.

We should not be unduly concerned that someone will misconstrue our purpose. We do not condone the kind of thing which this bill is intended to prohibit. We condemn it. But we must be determined to find a solution which promises to work and which promises to win the respect of the Canadian community as a whole.

Section 159(2) of the Criminal Code reads:

> Every one commits an offence who knowingly, without lawful justification or excuse, sells, exposes to public view or has in his possession for such a purpose, any obscene written matter, picture, model, phonograph record or other thing whatsoever.

Forgive me for wondering if the hon. member for Selkirk has been to a newsstand lately. Can he pretend that this provision against what we might call hard core pornography is successfully enforced? I doubt that he would say that. And if he would, I certainly would not.

Now we are being asked to subdivide obscene matter into what amounts to hard core and soft core pornography, and to add a few words to the Criminal Code which would also make it an offence to peddle the soft core variety in any outlet frequented by persons who are, or appear to be, under the age of 18 years. I suggest, Mr. Speaker, that there are not many magazine outlets in this country which are not frequented by persons of such a tender age. And if our present definition of and provision against obscenity are poorly enforced, how can we hope for better results from writing into the Criminal Code more words to the same effect?

There must be better ways of removing this filth from the reach of our children. I am inclined to support the initiatives of the Most Reverend Philip Pocock, Roman Catholic Archbishop of Toronto, who has urged decent citizens to speak out and to register their concern where it will be most effective. In a paid advertisement in the Toronto *Star* of December 3, Archbishop Pocock called upon concerned people "to refrain from patronizing" what he called "these publications, theatres, and places of business which encourage the pornographic."

He asked every decent citizen to walk up to his neighbourhood confectionery, theatre, or newsstand and to tell the proprietor what he thinks about the merchandise on display. And he suggested we boycott the magazine outlet or theatre which refuses to comply with our own moral standards—the standards of most patrons. He said:

> I ask their support in affirming what is positive and wholesome in the media and (in) publicly opposing what is not. I urge them to pray for decency in the community and the country.

Ernest Howse, in the Toronto *Star* of December 11, commented on Archbishop Pocock's action as follows:

> He has suggested a practical method of making public opinion effective. It is that concerned people individually make their feelings known to the purveyors of pornography, and refrain from patronizing their establishments. Bookstores might have to make the choice of no pornography or only pornography. To handle the stuff might cost more than its worth.

The individual proprietor, Mr. Speaker, cannot be allowed to go on thinking that his concern for the moral development of children in his own neighbourhood can be less than for his own family. He cannot be allowed any longer to consider himself an upstanding and upright member of his community if he is responsible for supplying his community and his neighbours' children with obscene literature.

There is nothing more to be feared than the righteous wrath of an outraged populace. Let those who are intent upon the perversion of our children beware of the collective judgment of the society in which they market their wares. And let every decent citizen be aware of his own power and his own duty to make his feelings known at the point of sale.

In conclusion, Mr. Speaker, I cannot support this bill only because I am convinced that it will not do what it is intended to do. It will not effectively prevent the distribution of obscene materials of a restricted nature, as they are termed in this bill.

Even the present law cannot work properly because public opinion is divided on the meaning of obscenity and, indeed, on the need to keep anything from the eyes and ears of our children. If anyone doubts this, let him turn to the *Globe and Mail* of January 5, this year, which, to the everlasting disgrace of that newspaper, wrote:

> We fear the licence to produce pornographic material far less than we fear the licence to control it.

Hollower words were never written.

But there are too many—far too many Canadians who have been seduced by the "Playboy" philosophy of "use them and lose them"—far too many to allow us to think that a few more words in the Criminal Code can substitute for the individual and collective action of the decent majority. I will finish by saying it is our obligation to remind the people peddling this filth that they are part of our society and have an obligation to their own children as well as to ours.

● (1740)

Mrs. Ursula Appolloni (York South): Mr. Speaker, let me begin by congratulating the hon. member for Selkirk (Mr. Whiteway) for bringing forward this bill. As a concerned parent I support it. It is most heartwarming to find that people in this country are thinking of the good of all our children, of the good of Canadian children as a whole. The bill is timely. I wish it had been brought forward in December, to coincide with the beginning of Archbishop Pocock's campaign. Unfortunately such was not the case. However, I am happy to tell the hon. member for Selkirk that the campaign which began in Toronto at the beginning of December is succeeding and its success is growing by the day. The participants do not include only Catholics and those of known religious affiliations. Noted atheists are also participating. The question is, what will happen in future?

Like my colleague on this side of the House, I think that one of the difficulties concerns our own tax and tariff laws. Allow me to quote part of a letter dated September 29, 1976, which originated from the office of the Minister of National Revenue (Miss Bégin). Knowing and admiring the minister as I do, I know she did not write the letter itself. Obviously it was written by a bureaucrat. It reads in part:

> We have endeavoured to follow the standards of the community at large and as a result, these standards of acceptance for publications entering Canada have become much more liberal over the past few years.

The author of the letter confused "liberal" with "libertine". I happen to be proudly liberal, but am decidedly not a libertine.

After receipt of this letter, and following the campaign to which my colleague on this side referred, on December 10 a

letter and a parcel were sent to the Minister of Justice (Mr. Basford). I hope that by now this material has reached the minister's desk. The parcel contains samples of pornographic material collected throughout metro Toronto. I have not seen these samples but am told they would make your hair stand on end. When the minister sees the material he will know what the hon. member for Selkirk and concerned parents are talking about.

According to an article in yesterday's *Globe and Mail*, written by Dick Beddoes, if I am not mistaken, Toronto City Council has set up a task force to study pornography in Toronto. Growing concern is being expressed in Toronto about the tremendous proliferation of this filth and about its effects on children especially.

The hon. member for Selkirk worried in case people confused morality with law. I ask him not to worry. As Aristotle once said, legislators make the citizens good by forming habits in them. I suggest that some of the habits we are allowing our citizens to form are not making them good citizens. I suggest that we should concentrate very much more on what is being imported into the country.

Barbara Ward, whose views have influenced our people recently, and I am thinking particularly of what she said at the Habitat conference in Vancouver, has spoken of the basic needs of humanity which include shelter, food and so on. She has also spoken of our psychic needs. In several of her books she has spoken of the spiritual needs of humanity—which brings me back to our children. Certainly, we can give them food, shelter, vitamins to make sure they grow healthy and meet their physical needs. The question is, how concerned are we about their spiritual environment?

One hears much these days about freedom of speech, freedom of the press and the freedom of this and that—you name it. Let us not confuse freedom with licence.

Speaking as a concerned parent, I want my children to be free to enter the local supermarket without being subjected to the sensational splash of pornographic literature. Over-exposure to obscenity tends to lead to insensitivity. We become used to obscenity and accept it as normal.

Finally, I want to speak unashamedly as a female member of parliament. As a woman, I very much resent pornography.

Some hon. Members: Hear, hear!

Mrs. Appolloni: It exploits my sisters, whoever and wherever they are. As we have tried to say for centuries—perhaps people will now listen to our message—the time has come for women to take their place side by side with men, as human beings. We do not want to be considered because of our physical assets. Women want to be considered only as human beings. They want to be valued as human beings, not because they are more or less beautiful than anybody else.

Mr. Yewchuk: Question. You are talking the bill out.

Mrs. Appolloni: I am talking on behalf of womanhood. Let me add, as a woman and concerned parent, that I do not want my male children, either, to be exploited. For a long time women only were exploited, but now males are being exploited as well. One hears of children aged eight and nine years old being exploited in New York, of their bodies being used to gratify some pervert.

Do we want our children to be subjected to this? It is happening to little boys as well as to little girls.

Mr. Yewchuk: Don't talk the bill out.

Mrs. Appolloni: I want my sons to grow up in freedom and human dignity. I want them to be valued not because they are different or bigger than anybody else, but because they are human beings. That is what I mean by human dignity.

Having said that, I congratulate again the hon. member for Selkirk on bringing forward the bill we are discussing.

Mr. Joe Flynn (Kitchener): Mr. Speaker, I agree wholeheartedly with the hon. member for Selkirk (Mr. Whiteway), as does everybody else in this House.

Mr. Yewchuk: Let's vote, then.

Mr. Flynn: We must make it evident that we are all against pornography and obscenity. I think there is no doubt about it. Referring to the dictionary for a definition, my colleague spoke, I think, about a harlot. I think women would suggest that in the present case the morals of a pimp are more to the point than the morals of a harlot. As Archbishop Pocock said, when we talk about the "Playboy" sexuality and philosophy we are talking about something which uses and discards our bodies in a way which does not lead to freedom but, rather, to enslavement. It trivializes and dehumanizes that which is meant to be precious and deeply personal.

Archbishop Pocock struck a really vital chord in setting out on what appeared to be his lone campaign against pornography and obscenity. However, he has done it in such a way that he has captured the imagination of not only the citizens of Toronto but of the whole nation who now want to begin a serious fight against obscenity. He has done it in such a way that we are now taking full cognizance of what is happening in the daily newspapers. We are looking at the ads for motion pictures and the fun pages of the newspapers, and realizing what is happening.

● (1750)

There is a problem that is associated with this Bill C-210. It proposes federal classification boards in each province to determine whether any matter submitted to them constitutes an obscene matter within Section 159-8 of the Criminal Code.

The Supreme Court of Canada is scheduled to hear a case emanating from the province of Nova Scotia. It deals with the matter of whether provincial classification boards *ultra vires* come within the legislative branch of criminal law which is exclusive to the Government of Canada. The traditional position taken by provincial governments has been that it is part of civil rights and therefore within the exclusive legislative capacity of provincial legislatures.

Since this matter is to be decided by the Supreme Court of Canada, it would be premature at this time to establish federal classification boards, albeit run by the provinces, before the court has determined whether the provincial boards are unconstitutional.

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, first let me commend the hon. member for Selkirk (Mr. Whiteway) for bringing this timely issue to our attention. I think all members will agree that obscene literature and its proliferation should be the subject of grave concern and, I might add, action.

The purpose of this bill, as set forth in the explanatory notes, is to set up classification boards to deal with the far too heavy traffic in obscene pornographic material. There are two basic premises of this bill. The first is that local regulatory bodies would set standards acceptable to their communities. It is the local input which must be considered as a serious and legitimate counterweight to those who argue that by restricting the availability of such material we also restrict civil liberties. Since we live in a democracy, Mr. Speaker, and we rule by the majority opinion, we must follow the rules the majority sets down whether they are to our personal liking or not. In this case, by setting up local boards we shall have a group that is representative of its local citizens in its opinions. The majority's civil rights will be protected.

Professor Ian Hunter of the University of Western Ontario addressed himself to this point in his article "Obscenity, Pornography and Law Reform." He recommends that any law reforms with respect to pornographic or obscene material must take into account "contemporary community standards." The hon. member's bill is certainly a step in that direction.

Professor Hunter also suggests that there must exist a means to protect people from being involuntarily exposed to obscene or pornographic material. This is the second premise of this bill. More specifically the hon. member calls for prohibition against displaying obscene material for acquisition by persons under 18 years of age.

I do not think that it is news to any member of this House that there is an increasing sentiment against pornographic magazine displays being placed in easy view of children. One only has to peruse the "Letters to the Editor columns" in most newspapers to find outraged parents. It seems that many of their children cannot go into local grocery stores without being assaulted by a barrage of obscene literature. The Ontario attorney general, Roy McMurtry, has many times expressed concern, and I quote:

> —that glossy full-colour magazines of hard core pornography, once available only under the counter or in a few adult book outlets, are now being peddled openly in some neighbourhood variety stores in full view of children.

From April 1 to May 8, 1976, Metropolitan Toronto police laid more than 24 charges involving 50 magazines. These came as responses to numerous public complaints. Inspector Robert Stirling of the Metro Toronto police morality squad said in May that he was receiving increasing numbers of complaints from people who appeared to be incensed and aggressive about pornography on the magazine racks.

It has often been said that selling pornographic material is a victimless crime. I think that is nonsense. The proliferation of sado-masochistic and anti-human material is bound to have an effect on children and even adults shaping their attitudes toward members of the opposite sex. Certainly this cannot go unremedied.

Archbishop Philip Pocock expressed his concern over the issue by publishing an "open letter of concern" in Toronto papers on December 3, 1976. The Archbishop denounced pornography "as gravely wrong". He said parents should talk to store owners, that they can make it very clear that they do not want this material sold to children, and that if it is necessary to carry "adult" publications that they be placed out of sight of both young people and the vast majority of adults who do not wish to see them.

The United States has set up "adult book-shops" where persons under a specified age are not permitted to enter. These also ensure that the majority of disinterested adults do not wander into an obscene bookstore accidentally. By using this method we could avoid both censorship and also involuntary exposure. Certainly it is worth considering.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. The time allotted to private members business has expired. It being six o'clock, I do now leave the Chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

BROADCASTING OF HOUSE AND COMMITTEE PROCEEDINGS

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

> That this House approves the radio and television broadcasting of its proceedings and of the proceedings of its committees on the basis of principles similar to those which govern the publication of the printed official reports of debates; and
>
> That a special committee, consisting of Mr. Speaker and seven other members to be named at a later date, be appointed to supervise the implementation of this resolution.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I am delighted to be back here before this large and attentive audience to deal with a very important subject. Before the

witching hour of the dinner recess I had been dealing with some of the comments made by the hon. member for Saint-Jacques (Mr. Guilbault) and the hon. member for Waterloo-Cambridge (Mr. Saltsman). I thought I had, in a non-partisan way, answered the arguments they made. I also indicated that I personally favour a proposition which would permit this House to broadcast radio and television transmissions of its proceedings, but I expressed certain doubts and filed a verbal caveat.

I should like now to enlarge on that caveat and some of the things which lead me to believe we have to be very careful as we move into these uncharted waters filled with shallows and shoals and rocks. There are areas of difficulty which I shall leave to colleagues on both sides of the House because I feel that there is a general consensus among those who support this motion as to some of these dangers. Certain of them concern the mechanical problems, the technical problems. I give credit to the officials of the House and to the representatives of the networks who have examined these things and come up with a number of ideas. I trust the committee set up to consider these matters will examine with greatest care and the most scrupulous anxiety the nature and extent of these technical problems.

There is the question of who shall be in final control, the question of who shall bear ultimate responsibility. I do not think it can be us. We might well have to retain the power we now have, the power, not to censor, of course, but the power to urge that there should be a balance, that when the proceedings of this House are broadcast through the electronic media the reporting should be reasonably balanced. I do not expect it will be possible to reach perfection, just as there is not perfection today in the reports of the proceedings of the House. I do hope, however, that there will be understanding shown as to the distinction between factual news and editorializing or comment. The media and others are, of course, entitled to editorialize. They are entitled to comment. But if they are to do justice to their profession and the heavy responsibility they bear they should make it clear that there is a distinction, one which at times is not observed today.

● (2010)

The media do have a responsibility. They are a very important part of the parliamentary structure with an obligation to make known to the public what goes on here, and in the legislatures, and, of course, in the other place. In doing that they must bear in mind that theirs is not just a living, it is a responsibility which they must observe, and it is one that is not always observed. I do not suggest they are any better than we, or that they are any worse. We make our errors, mistakes and misjudgments, and so do members of the media who will have this responsibility.

I think it was a very witty European who said some time ago that members of the press have great power without responsibility which, over the centuries, has been the prerogative of the prostitute. That may not necessarily be applicable here, but I want to emphasize very strongly, and I do it without in any way being disparaging or unfair, that we will be looking to them, as will the public, to see that what comes out of this House through the electronic media is a fair and reasonable reflection of what goes on in parliament.

Under the conditions which prevail in so many of the democratic countries today, in Canada, and in the United States which has been through a very traumatic period, in the United Kingdom and many countries in Europe, the whole democratic parliamentary process is on trial and the press, as part of that process, is just as much on trial as we are. If the system, the method, and the functioning of different parts of the mechanism are to survive, all of us must bear that in mind. That is not to say that if we fail what we have here will suddenly pass out of existence, but its effectiveness and its usefulness to act as machinery to translate the wishes, the desires, the rights and the needs of the public by the rules under which we govern ourselves, will pass, and God knows what will take its place, but it will not be as good as this. We have a responsibility and so does the press. Therefore I hope when the time comes for implementing this the press will bear that in mind, and my view is that it will.

My caveat has another application. As I indicated during the course of the argument on the point of order, Mr. Speaker, you can search all you want through all the statutes and all the standing orders and you will find nothing in legislative form in the laws of this country which deals with the publication of our debates, or which deals with the problems that may arise because of the publication of those debates. This is a long, difficult history which goes back to the very famous case of Stockdale *v. Hansard*.

In the last century when the firm of Hansard was engaged to write and publish the reports and debates in the United Kingdom, a man named Stockdale felt he had been aggrieved and brought a proceeding against Hansard. He secured a judgment and attempted by a writ of execution to make good that judgment. The House of Commons in the United Kingdom of that day said no, he could not do this. It said the members had the right, the duty and obligation, going back to a specific section of the Bill of Rights of 1689, to speak in the House without fear of impeachment, challenge of prosecution, and also had the right to have such words reasonably well and accurately published.

The courts held to the contrary and a judgment was awarded against the *Hansard* firm. The court sent bailiffs and sheriffs to execute that judgment, and the parliament of that day, with some considerable courage, more than most parliaments would have today, seized the sheriffs and put them in jail, so there was no way by which that judgment could be implemented. As a result there was some discussion in that happy way the British have, and it was resolved in 1840 by the passage of what is known as the Parliamentary Papers Act which provides that there should be a reproduction and publication of the proceedings of the House, and as long as this is done under the authority of the House and under the instructions of Mr. Speaker, what appears in those documents, the *Hansard* of England and the *Hansard* of Canada, represents the official publication, and what is said in them cannot be the

subject of action. It is on the extension of that law to Canada that the same rights prevail here.

That is all very well, Mr. Speaker, when it comes to the writing of *Hansard*, but this affects a number of people. If a newspaper publishes or republishes what is said in *Hansard* and garbles it in some way, there is a right of a member of the public who feels that he or she has been improperly dealt with to bring an action. There is then the defence available to the newspaper of saying that it was a fair comment about what was said in this House, and, it being fair and reasonable, that constitutes a good defence.

Through you, Mr. Speaker, I would ask members of this House to bear in mind that this was restricted to a comparatively small group of people. What happens in this age of the instant electronic media? Perhaps one of my colleagues might say that so and so is a thief, a liar and a scoundrel. Under the practice which exists today we can make comments such as that with no one to answer to but our own consciences and the belief that we may be speaking the truth. But if we go outside and speak out, subject to what I may say later, there may be a chance for an action then.

Let me point out, Mr. Speaker, the infinite damage and irreparable injury that may be done to some member of the public against whom an accusation is made, perhaps an improper and unjust accusation, in this House, free from the liability of prosecution, challenge or civil suit when instantly such an accusation reaches millions of people across Canada. We know in the profession in which we are engaged how long it takes the truth to catch up to the lie, if it is a lie. Under those circumstances what will be the remedies and where do we stand? What will be the position of members of this House who make statements of that kind?

The rights in the Parliamentary Papers Act of 1840 probably will not apply to what we say here, so what will be the rights of members of the public and what will be the rights of the media which is the conduit pipe through which is conducted these statements? What about the likelihood of republication? A statement made today would travel instantly across Canada and may reappear as a clipping in a Sunday week end paper. This is a very difficult and important problem.

Let me suggest, Mr. Speaker, that every country, particularly those which are under the parliamentary system, that has seen fit to introduce the use of the electronic media has found it essential to pass legislation, which is why the hon. member for Grenville-Carleton (Mr. Baker) found it necessary to bring forward this particular issue.

I am convinced that the committee which will be set up under the chairmanship of Mr. Speaker will probably have no alternative but to come back to this House and ask that there be legislation passed to deal with this problem. That will not be easy.

People have talked a lot about the constitution, but very few know that in Section 18 of the British North America Act there is a provision which provides:

> The privileges, immunities, and powers to be held, enjoyed and exercised by the . . . House of Commons . . . shall be such as are from time to time defined by Act of the Parliament of Canada, but so that any Act of the Parliament of Canada defining such privileges, immunities, and powers shall not confer any privileges, immunities, or powers exceeding those at the passing of such Act held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom—

● (2020)

There is a constitutional problem to consider here. I may be wrong, and some of my colleagues may know better than I, but I doubt whether there has been a constitutional case to decide the extent to which this parliament may legislate on privileges, immunities and powers which exceed those held by the parliament of the United Kingdom. That is a point which we will have to consider, so you can see, Mr. Speaker, that there was a pretty good reason for the members of this party to say: "Yes, many of us approve of the idea, but watch out and take care, there are problems". Certainly this is one of them.

I hope that the committee established under Mr. Speaker will permit access by members of this House. I am sure that it will. Mr. Speaker is a democratic person. He is the First Commoner. He has an obligation, and I think that he and his committee will be obligated to permit the members of this House to examine issues of this kind and to make representations. Although at the moment under the rules there is no provision for the committee to come back, I hope that they will.

Even so, there are problems beyond this. What is a proceeding of parliament? We have had cases on this. There was the case where Steve Roman sued the present Prime Minister (Mr. Trudeau) and the then minister of energy, who is now Senator Greene, for some millions of dollars arising out of a dispute regarding the sale of Denison Mines. Certain statement were made in the House of Commons by the Prime Minister and Senator Greene to the effect that the government would not tolerate an arrangement by which Denison Mines would sell to a foreign country. Subsequently the Prime Minister and Senator Greene went outside the House in the sense that they sent telegrams and made statements which carried into publication the things that they had said in the House. They were sued by Mr. Roman of Denison Mines, and the case went as far as the Court of Appeal of Ontario on several issues, one of the issues being whether what was said in the House could be extended outside the House and still constitute a proceeding in parliament.

Then we had a case not long ago where the Minister of State for Urban Affairs (Mr. Ouellet) made a statement about certain judges. A law case followed and went to the Supreme Court of Quebec. The judges in that province came to quite the opposite decision from the one arrived at by the Ontario judges, and so that issue remains to be decided. The Supreme Court of one province made one decision; the Supreme Court of another made another decision. I think that has to be settled before we proceed.

Then what about proceedings in committee? One hon. member talked today of the necessity of doing things to preserve confederation. I think there has been a lot of mawkish

sentimentality about loving your neighbours and loving Quebec. That is not the issue. You treat the people of Quebec as you would treat people in other parts of this country. However, I think it would be very useful for the committees of this House to visit the various parts of this country and demonstrate the capacity of this parliament for dealing with major issues. These committees should be properly seized of jurisdiction on major issues.

Take the case of a committee sitting in the city of Montreal, just as the immigration committee sat in Windsor and elsewhere. That committee experienced obstruction; there were instances of people who challenged members of the committee. Imagine a committee sitting outside this parliament and an altercation arises between a member of the committee and a witness or a member of the public. Certain statements are made which normally would be slanderous under the laws of that particular province. If its proceedings are broadcast under the authority of the proposal we are making, then is it a proceeding in parliament and are those people protected? What are the rights of members of the public who might think that they are libelled or slandered? I suggest it would be highly improper for this House to leave this issue without members giving an injunction to the government and to the committee which will be studying this matter to give this issue a tremendous amount of examination.

I close with another caveat, Mr. Speaker. Today we heard some discussion in the House about a certain black list. This was dealt with yesterday when the President of the Privy Council (Mr. MacEachen), in introducing this motion, said as reported at page 2297 of *Hansard*,

> Clearly, broadcasting will influence these functions. It will inform Canadians about what the government is doing—

And then again:

> Parliament represents the people: and one of its prime responsibilities is to inform the people.

That is, of course, correct and I agree with it, but it is not the case today. Parliament is not being informed, the media are not being informed and the public are not being informed. Despite the fact that by far the greatest number of members of the House are keen, intelligent, good people, in many respects because of the inhibitions placed upon us by the rules and the extent to which we have been seduced in our capacity to exercise responsibility—a seduction during which we relaxed and enjoyed—there is not in this House a capacity to exercise that jurisdiction which we should exercise. We are not able to challenge the government. We are not able to compel the government to produce in detailed form information about its expenditures.

The last two Auditors General have said publicly not only that expenditures have passed beyond the control of parliament but they have passed beyond the control of the government. Is this the kind of thing that the people of Canada will see when they watch television or listen on radio to the proceedings of this House or its committees—a lot of zombies who are incapable, despite their anxiety, of exercising the jurisdiction that they should?

[Mr. Baldwin.]

I suggest that before the year or year and a half—whatever it is—passes when we have completed all our studies, this parliament should have a freedom of information bill. This House should reform its proceedings so that members of the House are active, creative, able to challenge the government, and with a greater degree of independence and objectivity on the part of members of the House, particularly on the part of members on the government side. I know what it is like to be on the government side. I sat over there when we had 205 members, and it is not easy.

If this House is to operate properly and if parliament is to do the job it is responsible for doing, independence and objectivity must be a very substantial part of our duties. Therefore, Mr. Speaker, I suggest that all of these things must be taken into account.

The mere fact that tonight, tomorrow, or some time we will quite glibly pass this motion does not mean that we can leave the matter there. We have a very definite responsibility to ensure that when we do come to broadcast the proceedings of this House the public of Canada will see a parliament that is functional, operative, active, and with powers and responsibilities equivalent to its duties. If that is not the case, then in my opinion all that will happen through the passage of this motion is that we will be accelerating by a substantial period of time the demise of the system of democracy under which we function.

• (2030)

Miss Coline Campbell (South Western Nova): Mr. Speaker, I find myself in some difficulty in speaking on the resolution before the House this evening; however I would not like to take too much time in this debate.

I fully agree that Canadians should have the opportunity to see and hear what is being done on their behalf in the House of Commons. Bringing parliament to Canadians is a noble goal and should enhance public participation in the parliamentary process. I am, however, concerned as to what we are doing, and I would like to take this opportunity to register my concerns. The cost is only an estimated cost. I can see many other priorities for putting these large sums to better use, especially when one thinks of the number of people who will actually watch the sittings, and I stress the words "actually watch".

Some hon. Members: Hear, hear!

Miss Campbell: Certainly the reporters will be able to talk over the pictures so that the press will still be interpreting the proceedings. In short, there is no assurance in the motion before us that we will get a better coverage of the proceedings of the House of Commons.

Some hon. Members: Hear, hear!

Miss Campbell: The television facilities in my area leave much to be desired at any time. We do not have full CBC coverage in some areas in my riding. In other areas there is no ATV coverage, and in most areas cable TV is still non-existent in Nova Scotia. At present the CBC does not have a regional desk for feedback to the maritimes on matters which might

interest the people there. We must make a hit with the national reporters in order to get back east on CBC. If the reporter is not aware of the problem, it falls dead.

This money could be better spent on improving TV service in such areas as mine. Certainly if the area I represent does not get coverage on the CBC, we will not get it with edited tapes. Televising the proceedings of the House would make sense if we were to slot it in a network each day at a set time.

I ask you, Mr. Speaker, why bring TV in when it will not benefit all of the people? In particular I have in mind a part of the country such as mine. Let me just explain to the House that in some parts of my constituency we get radio and TV from another province. These are only radio and TV stations affiliated to the CBC. We do not get any forecasts in that area or any of the other items which relate to the area. The CBC coverage from Halifax is minor and in most areas in my constituency nonexistent.

I am not opposed to the use of TV in the House. In fact it is one of the best methods of accurate reporting because the people can see for themselves what is happening. In my opinion, based on a study of the motion, a daily serial will not provide it, and someone will still be able to edit the taping and feed it to the networks. If it is a question of records, the records can still be kept by the existing system of *Hansard* and tapes. If it is a question of education, schools and universities are not at present knocking on doors to obtain copies of *Hansard* so as to understand the parliamentary process better, nor will they use videotape because they lack the necessary facility to use it, particularly in my area.

If we must have TV to provide additional information on committee and House sittings, why not leave this process to the existing broadcasting networks, as they are the ones who will make the decision under this motion as to whether or not they will use the tapes of the proceedings of a committee or a House sitting? Therefore they should cover the expense of implementing this service. This method would not only reach more people but would be less costly insofar as capital and operating costs are concerned, because networks are only interested in televising what is of interest to the people.

Any one wishing the written word, could obtain a copy of *Hansard* which could and should be more widely distributed to schools, libraries and individuals. Perhaps the allocation of *Hansard* copies to members of parliament should be increased to see if it would become a best seller.

I do not see how this resolution will educate the public. The daily workload of a member of parliament involves not only attendance in the House of Commons but committee work—which may not interest a reporter—and constituency matters. These latter two are only of interest to the constituents of the individual member of parliament.

In my opinion members will have to posture for the TV, yet may never be seen across Canada. This will waste more of the time of the House of Commons. Think of the members speaking on the same point in one debate. Our House rules leave a lot to be desired and are the cause of much wasted time. In my opinion televising the proceedings of the House will not increase public information on how decisions are made. Decisions are often made outside the House and outside committees.

However, one area which might be improved by full TV coverage is the rules of the House. Certainly the people of Canada would not put up with this type of debate for very long.

I am not opposed to the substance of this resolution, Mr. Speaker. However, I am concerned about its timing and its cost, as well as the lack of interest of the general public. I am equally concerned about the fact that the House of Commons should remain the focal point of public concern at the federal level and that the ministry should be held accountable to the House on a daily basis.

I agree that modern mass communication and the increased role played by the government in the lives of ordinary people make it necessary for ministers and other prominent members of the House to be seen regularly on television. But I do not like the decline in interest and in the reporting of what has been said in the House. What we see or hear is what has been re-enacted in the corridors, or personally interpreted by a reporter.

I am not opposed to TV in the House or in committees but it should be seen unedited on a daily channel. All committees should be given an opportunity to be seen unedited. As all members know, committee work is very important, yet if committee proceedings were to be edited, most people would be deprived of the area of debate which interests them. Indeed, I hold that communication between this House and its electors is the most important function of a private member of parliament and is essential to the functioning of ministers. I have communicated to my own constituents the events that take place here—a central point in the few years that I have spent here.

All that having been said, I would like to say that this House has much practical work before it at this time on bills whose passage will be as important to the people of Canada in the short term, such as the unemployment legislation, income tax amendments, and the long-awaited human rights legislation, as may be the ultimate installation of television facilities in the long-term.

Of course I would not want my concerns to affect adversely the considered view of the House on a matter in which partisan considerations have no place. I did, however, want to state for the record the concerns I have about this resolution as it relates to the people I represent, and the inadequacy of the existing TV facilities which they have to put up with. I do not feel that the public is fully aware of exactly what we are about to do here and I believe that most people in my constituency will not benefit from this resolution.

● (2040)

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, to my mind, the speech we have just heard expresses the dilemma which faces many members of the House because of this motion which touches upon the right of members but which

however should not give rise to a partisan debate. However, this afternoon the hon. member for Saint-Jacques (Mr. Guilbault) made a particularly violent speech which was nothing more than peanut politics because he was proposing certain points of view to the official opposition as a party. Now, he has just heard a speech from one of his own colleagues who expressed as well as possible points of view which I entirely share.

I also have heard the Minister of Communications (Mrs. Sauvé), the hon. member for Ahuntsic, give us a fairly naive speech as the hon. member for Saint-Jacques did this afternoon; so I heard that we are going to witness a change in the communication of the Parliament of Canada; but we simply hear about the House of Commons; nothing is said about the Senate. The Senate is a part of the Parliament of Canada and I want the government members to be very careful, because, to my mind, two-thirds of them do not know "in entirety" what I have here in my hand . . .

Mr. Roy (Laval): Entirely . . .

Mr. Lambert (Edmonton West): What do you mean: Entirely or "entirety", because this is a report? Nobody takes care of the crows on the back fence! What they can say can be summed up in just a few words. Mr. Speaker, a committee of the House has presented a report a little more than four years ago; it was presided over by a member which had much more experience than some of those who are shouting at this very moment and who, quite frankly, I know very well, know nothing entirely—"in entirety" if they want—about the report which I have here. It is a report signed by the former member for Grenville-Carleton, now Justice Gordon Blair, setting out all problems related to this issue, and several of my colleagues have raised some, but I know very well that government members, even some members of my own party elected after the 1972 election and also some who have a lot of experience, have not read this report. And I must say that the hon. member for Eglinton (Mr. Sharp) former leader in the House . . .

An hon. Member: The Postmaster General.

Mr. Lambert (Edmonton West): . . . the Postmaster General (Mr. Blais) and others who support this resolution without any reservation, with enthousiasm, have not read this report. It is not an old report, it has not been out very long, and . . .

Mr. Roy (Laval): The word "entièreté" is not in the Larousse dictionary!

Mr. Lambert (Edmonton West): All right. You are correcting me and the next time you speak English I shall correct you. Several of my colleagues here now are French speaking, that is why I express myself in French. If my French is imperfect, I apologize. Perhaps that is one thing they do not do when they speak English.

[*English*]

Having said that, I suggest that before this House resumes tomorrow afternoon, hon. members should read the pertinent parts of the recommendations of the Standing Committee on Procedure and Organization in 1972.

My colleague, the hon. member for Peace River (Mr. Baldwin), raised the matter of libel and the privileges of members of this House, and I heard people up in the press gallery and others say "poo, poo to the privileges of members", but the funniest thing is that those simpletons—many of them are being simpletons in this matter—ignore the question of the extension of the laws of libel with regard to members, with regard to interpreters, and with regard also to those who publish. They ignore that, but in Britain, for instance, the decision as to whether they should televise their proceedings or not has been a very serious matter. They have decided not to do so. Years ago in Australia a special amendment had to be passed to the laws governing libel in order to protect broadcasting by radio.

Let me say right away that if we had protection similar to that which is outlined in this report, for those who wish to read it, I would have no hesitation in suggesting that radio stations take a feed from our loudspeaker system tomorrow, if it were adequate. There are, however, technical changes which would have to be made to this system in order to bring it up to broadcasting quality. There would be no problems, provided there is protection under the laws of libel for everyone concerned, not just for ourselves but also for the public. But no, these people say, "Full speed ahead, and damn the torpedoes." They are not even thinking about this, yet the committee, under one of those distinguished members, raised it.

I would like to refer hon. members to page 4, column 27, paragraphs 103, 104 and 105. I will read certain excerpts. In paragraph 103 it says:

> On the evidence and advice available to your Committee it is not therefore clear what protection would be available under existing laws to members of Parliament, to broadcasters of parliamentary proceedings, to interpreters of such proceedings, to witnesses giving evidence before parliamentary committees, and to others involved in or affected by parliamentary broadcasting.

In paragraph 104 it says:

> It seems, therefore, that there would be a need for Federal legislation to protect Members, broadcasters, interpreters and others.

I will read from paragraph 105 as follows:

> As a number of legal uncertainties seem to exist the House might well consider the desirability of passing a special Act if an affirmative decision were taken with regard to the broadcasting of its proceedings. Prior to the drafting of such an Act it would appear desirable that the law officers of the Crown should study the complexities and implications of this question.

There is not one tittle of evidence that that has been done, yet the government has come forward with this motion, and hon. members opposite and on this side of the House have swallowed the bait, hook, line and sinker. They want to go ahead, in the face of this considered opinion of a committee of this House, unread by the majority of members, who do not seem to give a damn.

● (2050)

I continue reading:

> On the basis of the evidence available to your Committee, however, it seems that the Act might reasonably include the following provisions:

(a) The extension of the protection of absolute privilege to Members of Parliament and Senators when speeches delivered in the Chamber or in a committee are transmitted by means of radio and television.

(b) The protection of the broadcasters of parliamentary proceedings by absolute privilege if they are employed by Parliament at times when they are discharging their duties under the authority of Parliament.

(c) The protection of other broadcasters of parliamentary proceedings by qualified privilege, thus placing them on the same footing as the press.

(d) The protection by absolute privilege of those involved in the simultaneous interpretation of parliamentary proceedings in either House or in a committee.

(e) The extension of the protection of absolute privilege to witnesses giving evidence before a parliamentary committee when their evidence is broadcast.

(f) The protection by absolute privilege of all parliamentary employees who might in any way be involved in the broadcasting of parliamentary proceedings when acting under the direct instructions of either House of Parliament or their committees.

Anyone with a sense of fairness who reads something like this would, I submit to you, Mr. Speaker, say that we go ahead at our peril and not only peril to members but to our staffs in this House. If some members of the press gallery were awake to the problems involved—some of the pundits in that gang or in that group—I will be a little more polite—and were not so conscious of their public image or potential public image and the role they think they might play in some future series of programs which they imagine will be like "Mr. Smith Goes to Washington" or "Quentin Durgens, M.P.", they would realize this.

It seemed to be implicit in the remarks of members who have spoken in this debate and others who have spoken to me privately that the proceedings of this House will appear on the networks across the country like one's wife's favourite soap opera—"Edge of Night" or the "Dilemma of the hon. member for Vancouver-Kingsway (Mrs. Holt)"!

Mrs. Holt: What is my dilemma?

Mr. Lambert (Edmonton West): I do not know what the hon. member's dilemma might be; that is what we would have to find out.

I must confess, Mr. Speaker, that I found some confusion between the thinking of the Chair and that of the hon. member for Saint-Jacques (Mr. Guilbault) who spoke afterwards. Members on the government side and the Parliamentary Secrétary to the President of the Privy Council (Mr. Goodale) talked about extraneous matters in the resolution being a temporary or experimental installation, but the hon. member for Saint-Jacques said that is the way it has to go to get it in. The Chair, unfortunately, considered that to be an element of difficulty in the amendment put forward by my colleague, the hon. member for Grenville-Carleton (Mr. Baker). It was strange to see that dichotomy in thinking. What is this going to include? If we are going to have radio on a continuous basis—which I think we can have and which the committee in 1972 was quite prepared to have—hon. members should read the comments of those members of the press gallery who were invited to comment at a number of sessions with regard to the quality of the broadcasting and reproductability of our sound system, and they would see there was no hesitation with regard to broadcasting by radio providing we took precautions with regard to the law of libel. Then comes the question about television.

The Parliamentary Secretary to the Minister of Fisheries and the Environment (Mr. Fleming) spoke of the great number of countries in which proceedings are televised. Let him read the report. I can add some details, Mr. Speaker. In Australia they have radio only; they would not touch television with a barge pole. In England they have gone on radio on an experimental basis just recently. They would not touch television with a barge pole except for ceremonial occasions such as the opening of parliament, which we have as well. Just in case somebody was impressed by the United States, let me tell them that television is not permitted in the Senate and House of Representatives except on the occasion of visits by the President, the presentation of the budget, and the annual State of the Nation message. In the Senate committees, under rule 11 they can decide whether they wish to have it.

Members of the Standing Committee on Procedure and Organization of which Mr. Blair, now Mr. Justice Blair, was chairman—and I do not think the report suffered any detraction because I was vice-chairman—visited Washington and sat in on their foreign relations committee. That was a three ring circus if I ever saw one and the American Senators were the first to admit it.

The late Senator Fulbright, who was chairman of the foreign relations committee, was opposed to the Vietnam war and wanted to score some points against the administration in 1971-72. He called committee hearings to talk over this thing with someone from the Department of State and we saw Senator Fulbright make a 10 or 15 minute statement which was very partisan. He was chairman of the committee but he was leading with his own point of view so that it was on record for the American public. Various Democratic and Republican Senators took certain points of view and then they discussed the whole question with their witness.

Off to one side were a number of TV cameras with lights. At times the Senators asked that the lights be turned off because it was so hot. Still photographs were also allowed. As hon. members know, in the United States committee rooms there is a sort of curved table where members of the committee sit. At some distance is the witness table where counsel and assistants to the witnesses sit. Around there, crawling on their backs or their bellies like an assortment of snakes, were the photographers. They were trying to get angle shots either of the witnesses or of one of the Senators. Of course all the time there was the clicking of lights. I suggest that a three-ring circus would have been tame compared with that performance.

● (2100)

To those who have in mind the television coverage in European parliaments I will say that all their committees are *in camera*, every single one of them, and I include France, Germany, Denmark, Holland, and Sweden.

An hon. Member: Surely not Sweden.

Mr. Lambert (Edmonton West): They are all held *in camera*. Actually the public is not even admitted to their committee meetings.

Mrs. Holt: Are they not free in Sweden?

Mr. Lambert (Edmonton West): The hon. lady from Vancouver-Kingsway surely will not say that Sweden is not as free a country as this country. If the hon. lady goes to Sweden she will see how their television system works. The cameras focus on the member speaking. Every member has to speak from a rostrum, and the television is used mostly for internal communication. On the television screen one sees a picture of the member's head and shoulders.

Mrs. Holt: That's enough, isn't it?

Mr. Lambert (Edmonton West): That would suit the hon. member for Vancouver-Kingsway and all those who read their speeches in this House. We would not see them bending over their texts and looking down.

Mrs. Holt: I do not do that. I am working on my constituents' mail, see?

Mr. Lambert (Edmonton West): The members speaking are up on a rostrum. I have seen them, in Germany and Holland.

An hon. Member: But they allow television.

Mr. Lambert (Edmonton West): Yes, they allow television. I will tell you what the minister of information in Holland, and the Speaker told me. Yes, television is used, but it is under the control of the minister of information. They said, "We do not televise everything, only important debates, such as constitutional issues affecting the succession to the throne." It is possible that as a result of the Lockheed scandal and subsequent investigations involving certain loyal personages, certain other debates either have been or will be televised. However, outside of that, there is little television coverage.

Let us not be under the delusion that ours is a closed world. It is not. Somebody said that the public has the right to know. Well, there is an absolutely untramelled, unfettered press which does its best, sometimes more, sometimes less, to report the proceedings of this House and of our committees. There are difficulties; there are not enough reporters to cover all our committees, not when you have the nonsense of 17 committees starting out of the gate at some time, on Tuesdays or Thursdays. Do hon. members think that all our committee proceedings will be covered by television? The idea is nonsense.

I will finish my point by pleading with hon. members opposite not to close their minds on this subject. The hon. member for Vancouver-Kingsway will have much to explain to her constituents, depending on how she votes.

Mrs. Holt: I explain lots of things to my constituents. They understand.

Mr. Lambert (Edmonton West): There will be lots of explaining to do, Mr. Speaker.

Mrs. Holt: That's all right. My constituents are intelligent.

Mr. Lambert (Edmonton West): The report before me should be compulsory reading for every member of the House. The President of the Privy Council should read it three times and the former president of the privy council, why, he should read it four times.

Mr. McKenzie: He isn't sharp enough.

Mr. Lambert (Edmonton West): Hon. members should read another report, as well. We were told that the installation of broadcasting facilities will cost some $3.5 million, more than likely $4.5 million, by way of capital expenditure.

Mr. McKenzie: And we are now in a time of restraint.

Mr. Lambert (Edmonton West): Yes. I want to let hon. members opposite know about certain important decisions which have been taken and some of the recommendations which have been made about the building in which we now sit. They have failed to listen to their members who participated on the Management and Members' Services Committee. I am not telling tales out of school, as it were, when I say that after the 1978 election another 18 members will be joining this Chamber, and do members know where they are going to sit? They are to sit against the walls at the far end, and near the walls at the end of the Chamber close to my seat, and there will not be any way to cover them with television. Perhaps those in the corner at the far end can be covered by a camera from this end.

Parliament made the conscious decision to expand its membership during the next election. Then, after the next round of redistribution, it is expected that the membership of this House will rise to 300 members, in which case our present seats will need to be moved forward and another row of seats installed at the back. Possibly it may be necessary to remove the curtains, do away with the gangways at the back and utilize the space for desks. Shall we hang them from the ceilings or do as they do in the British House, have some seats in some of the galleries? Hon. members must face this prospect.

An hon. Member: Burn the building down and build a new one.

Mr. Lambert (Edmonton West): An hon. member suggests we should burn down this building and build a new one. It might be necessary.

Mr. Speaker, I remind hon. members of a scandal which took place some years ago involving the *Bonaventure*. That carrier was sent for a refit, at a very great price; but no sooner had she been refitted than she was scrapped.

I tell you that within the next five years this building is slated for a major refit. The plumbing, wiring, and many other facilities which make this building viable have to be renewed. The East Block is being renewed now and will serve as a swing building for the Senate. The Metropolitan Life building has

been acquired and will serve as a swing building, for offices of members. The Parliament Buildings on the House of Commons side as well as on the Senate will have to be refitted within the next ten years. And what will happen to all the capital equipment which will have been installed? We have an idea of the cost of the equipment which is to be installed; so I say that we are in for another *Bonaventure* affair. The money will go down the blessed drain, or at least a good portion of it.

Let me now say a word about the role of the committee over which Mr. Speaker is to preside and which is to supervise the implementation of the motion. The argument I made this afternoon which, with the greatest respect, nobody has countered so far, is that the committee, in its supervisory role, shall not and must not act as a sidewalk superintendent. It will need to come back to this House with recommendations regarding the law of libel and with other recommendations concerning technical problems of implementation arising because of the expansion of the membership of this Chamber. It will also have to come back with recommendations involving, as I said previously, the refit of this building. That is why the amendment proposed by the hon. member for Grenville-Carleton was so important.

● (2110)

All these problems in committee might have to come back to this House. Remember, Mr. Speaker, the facilities in this House affect hon. members. This does not affect the expertise of the administration of government. This affects hon. members here and in the Senate. Who is going to consult members of the Senate?

This committee on the basis of this resolution as it now stands will be able to do whatever it wants. Being a special committee under Mr. Speaker, what will be the position of hon. members who wish to make representation to that committee or appear on that committee and speak? The amendment proposed the House procedure committee which has always been open to every member of this House. Members can appear and speak. They can even be put on the committee. However, with a special committee under Mr. Speaker charged with this one task, you might as well butt your head against a brick wall. Hon. members may not have any input unless there is some extraordinary position taken by the chairman of the committee.

That might change. I am not going to close the door on that. However, I can well see where the whole proceedings with regard to the televising and broadcasting from this House, insofar as members are concerned, if this motion passes may be a closed book.

As far as televising is concerned, one can always do special events. One can twist the arm of the CBC and CTV to bring their mobile units here. If the new president of the United States were to reciprocate the visit of the Prime Minister (Mr. Trudeau), we could have a reproduction of an address to the joint Houses of this parliament. However, we do not need a resolution like this for that purpose.

By the end of two years, and it will require two years, we will have an expenditure which will top $5 million. It is estimated by the President of the Privy Council that the operating expenses will only be $900,000 a year. What rosy glasses has he been looking through? Let him look through the transcripts of evidence before the committee in 1972. He will see that his projections are away out. It was going to cost nearly that then.

Remember, Mr. Speaker, this envisages a staff for the House. It does not mean that the networks will come in. There will need to be an additional staff of nine, ten, or maybe a dozen people. There will have to be a collection of technicians. There will be producers. This staff will work stated hours as they do in the broadcasting business. Just watch.

In 1972 we were told that a producer's minimum scale of pay was $25,000 a year. The parliamentary secretary shakes his head. That view was from the broadcast industry. They said that was what was required to pay these people. The hon. member can shake his head, but let him read and be instructed. I would say that the salaries now and in the future will be considerably higher. Not only do we need a producer, but an assistant producer, and then another assistant producer—backups all the way.

I am laying down in what I think are realistic terms what it will cost, and what will be the implications of this program. The House is going to make up its mind. However, no one outside my colleagues, the hon. member for Peace River (Mr. Baldwin) and the hon. member for Grenville-Carleton, has dared talk about the costs and other implications.

I raised another point this afternoon. Who on earth is going to carry this stuff that comes out of here and for how much? Do you know what happens in the province of Alberta today? With a great deal of fanfare, television was introduced into that House in 1971. There are only six members of the opposition. They are in the corner. There is a great gap on the side behind them. There on a platform sits one camera from which the media take clips. However, the camera faces only the cabinet. All it shows of members of the opposition is their backs and receding hairlines. There is no way that a statement by the Leader of the opposition can be put on camera.

Members from Nova Scotia know about the noble experiment conducted there. Neither the legislators nor the public want any part of it. In Saskatchewan there is radio. In Queen's Park television came in this year. Does anyone ever see private members on there? For how many minutes a day are there clips in either the national or the local news? There is nothing, but nothing, on cable.

The hon. member for Saint-Jacques said this material could be distributed on cable. Who is going to pay for it? Are we going to be part of a production of some brewery, automobile dealer, furniture salesman, K-Tel records, or what have you?

The hon. member for Saint-Jacques suggested this could be done on an experimental basis in the Ottawa-Hull area. What? For $5 million on an experimental basis it will be seen

by the population of Ottawa and Hull, possibly Montreal a little later, and then a bit further? What about the constituents of my colleague from Prince Edward Island? The people there have an equal stake. What about Fraser Valley or Sault Ste. Marie?

A few moments ago the hon. member of South Western Nova (Miss Campbell) said, and I will paraphrase, that the benefits to her people would be less than zilch. If we go into this program, the benefits should extend to the people of Canada as a whole. That cannot be done on the basis of television without some examination of all costs, not only of production but of distribution.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member his allotted time has expired. He may continue with unanimous consent. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Mr. Lambert (Edmonton West): Thank you, Mr. Speaker. I will terminate. I think the hon. lady from Vancouver-Kingsway should read some of the polls and surveys that have been taken in her city with regard to televising the proceedings in this House. I should like to know just what her reaction might be. Without being personal, I imagine that the hon. lady feels that as a former newspaperwoman—and maybe she still is one—she is a communicator. I should like to have her considered views with regard to how much effect there could be to the people who are going to pay the shot to see, possibly, two or three minutes a day, at most, ten minutes a day in all networks, on all stations, of clips, again subject to editors, of the media, the same as presently applies—and some days we win and some days we don't, but I think that by and large there is reasonably fair reporting.

● (2120)

It will not change. The scrum will not change one iota. Because of the concentrated nature of the question period, only a few people can really participate. Answers are incomplete. Sometimes they are incomplete because the minister is not fully aware of the situation at the moment. I know very well, from past experience, that between the end of the question period and getting down to the scrum, executive assistants come forward and brief the minister anew. We get a sudden change in answers then. This is an old game and it won't change one iota.

In those legislatures where they presently do have television cameras, has anyone consulted provincial cabinet ministers as to the effect? Has anyone consulted leading members of the opposition with regard to the scrum? The scrum is there. I only wish we had better facilities for it, that we had decent interviewing rooms. I would vote right now, if we had an item in the estimates, that we spend a million dollars for the complete reconfection and refitting of the interviewing rooms, not only for ministers but for other members. That is a slave quarter down there. Working conditions are way less than satisfactory. But, no, we shall spend between $3 million and $5 million installing fancy cameras around this place, but the working conditions for those in the press gallery who have to go down there will remain unchanged. In fact some time ago I had to protest to the Management Services Committee that the fire regulations there were not being observed.

Talk about mixed up priorities! If there is to be television here, let us first have a full examination of the technical aspects recommended by the committee four years ago. There are some real problems which have to be investigated. The committee under the chairmanship of Mr. Speaker—we are not going to see this come about in a short while.

I have canvassed this question and I hope I have laid before the House what I believe this is going to cost, and what is likely to be its effectiveness—and how little it is going to accomplish in the end. If the House, in its considered wisdom, wants to go ahead with it, fine. Hon. members will explain themselves to the public on that score.

I agree with those who say we should pay more attention to bringing about some rule changes. The hon. whip on the government side along with other members, including myself and some of my colleagues, laboured mightily last year to bring in some sensible changes. But there has been a deadly silence on the government side. We cannot even get the motion to enable us to go back to work. I recall that when the President of the Privy Council was previously in that office we had some good rule changes to propose. I was chairman of the committee for one whole session, and there was not one reference. This House was denied an opportunity to work on its rules, and at the present time we are still being denied an opportunity to have this committee do its work. And that is deliberate.

I think the sense of priority is wrong. But if the House intends to vote in favour of this resolution, all right. It will have to put its money where its mouth has been.

Some hon. Members: Hear, hear!

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am pleased to have the chance to join in this debate, if only briefly, for two specific reasons, first, because I am an unabashed and enthusiastic supporter of the resolution and, second, because as a former working member of the press in the electronic media in Saskatchewan I believe that the introduction of radio and television in terms of active, live coverage of this Chamber will yield positive results for parliament, for the effective functioning of our representative system of democracy, and ultimately for the people of Canada in terms of open, accessible, and accountable government.

Mr. Alexander: Oh!

Mr. Goodale: Yesterday opposition spokesmen said our system was already an open one and implied that television was an unnecessary frill which would merely provide illustrations of the functioning of this open institution. That is all very well in theory, I suppose, and perhaps it is a logical conclusion

for members who are either in or near to the national capital to draw. But for those of us who come from areas far from the national capital and whose constituents seldom, if ever, have the opportunity to visit this city, the issue of an open parliament—not merely an illustrated one but a truly open one—takes on a special importance. Television is one way to provide that kind of open and accessible parliament to Canadians who live, for example, two thousand miles away in Assiniboia, Saskatchewan, and I think this is an important consideration.

Why should the proceedings of this House be broadcast and telecast? What would be gained? Most of the merits have already been summarized by the government House leader, by the Minister of Communications (Mrs. Sauvé) and by her former parliamentary secretary, the hon. member for York West (Mr. Fleming), as well as by others in the course of this debate.

Through this proposal we shall develop an electronic *Hansard* which will be a unique and innovative archival tool complementary to the printed record which is presently the only record available of the proceedings here. Further, it will be a useful educational tool for scholars and for regular use in schools and universities to assist in a realistic way in explaining what this institution is all about. I do not share the skepticism of my hon. friend from South Western Nova as to the usefulness of this instrument as an educational tool.

In this latter connection, it will—in itself—help to alleviate the concern which some members have expressed as a basis of their argument against the resolution. Some have complained, for example, that the public is not knowledgeable enough and insufficiently aware of parliamentary idiosyncracies to be able to make a rational judgment about what they would be viewing. If that is a valid criticism,—and I am not sure that it is, but if it is—as some across the way have suggested, then surely the only way to counteract that lack of information and understanding is through readily accessible educational tools such as an electronic *Hansard*.

● (2130)

In addition, I believe that an electronic *Hansard* which this particular resolution would provide us with would be a very useful informational tool for the media and others. We have just heard some discussion on this subject by my hon. friend from Edmonton West, and I should like to deal with the matter for a very brief moment.

At the present time, except for the customary broadcasting of ceremonial events such as the opening of parliament, the electronic media, namely, radio and television, are barred from active live coverage of the proceedings of the House of Commons. As a weak and often inaccurate substitute for direct access to the House, once an announcement, speech or debate has taken place here the radio and television reporters literally have to scramble to catch the main participants outside the Chamber so as to have them in some small way repeat or re-enact what happened inside so that the reporters can get it on tape or film. The result is sometimes a frantic and occasionally unruly crush of people, with lights, cameras, tape recorders and other paraphernalia in the halls of the Parliament Buildings, and all too often there can inadvertently be serious omissions, distortions or misinterpretations of what has been said or done inside the Chamber. Surely some of these problems could be alleviated by providing live coverage of Commons activities in the first place.

There are a great many other advantages to this particular proposal which I should like to take some time to describe in detail in the House. Many of them have been mentioned in passing and briefly by others in the course of our discussion in the last two days. Some have raised concerns, for example, about the cost, or about possible disruption of established parliamentary procedures, or about this vague notion of trivialization which some are worried about. Some are worried about the technical problems that may arise. Some are concerned about the question of rights and immunities of members. To all of these points of concern I think there are valid and full answers. Many of them have been given in the course of this debate by those speaking in support of the resolution; many will be found in the committee reports that preceded our debate in this House.

I hope that the expression of the kinds of concerns that we have heard does not represent a fear of progress or essentially a mistrust of the ability of the public to understand the workings of parliament, or indeed a worry or mistrust about parliament itself. We may need technical tests. We may need further examination by the committee, which this resolution proposes, to see how the facilities will work. But surely we do not need further examinations, studies and tests of our own courage to appear before the Canadian people. I would hope that the merits of this resolution will commend themselves to all members this evening, and that before the clock reaches ten o'clock I hope we can in fact see this resolution adopted by the House and very quickly see parliament in a very real sense brought to the Canadian people via television.

Mr. David MacDonald (Egmont): Mr. Speaker, I rise to speak very briefly in this debate, or perhaps "debate" is too strong a word for what has been a very useful discussion in the past couple of days with respect to an important change to the procedures of this House and its committees. It has already been indicated by previous speakers that we are not, in a sense, dealing with new subject matter. The motion itself has been before this House for well over a year now. Prior to that there was a considerable period of time in which both a special committee of this House as well as individual members considered at length the implication of giving broadcasting access to the House and its committees.

As I was preparing to make a few remarks this evening I flipped back through some of the previous pages of *Hansard* and realized that it was almost ten years ago to the day, on February 10, 1967, that I made a strong and impassioned plea for the broadcasting of the proceedings of the House and its committees. I do not know whether that makes me somewhat of a senior citizen with respect to advocating this particular subject matter, but I would just like to quote briefly—I know

it is not good form to do so—what I said on February 10, 1967, as reported at page 12919 of *Hansard*, I said:

> One of the things that has continued to concern me very much about this whole question is the fact that we have invoked in our political processes and parliamentary activity a kind of discrimination that I think would not be tolerated for one moment in any other sphere of human activity.

Then I went on to relate the double standard that existed in the House and its committees whereby those who serve the print media have had for many years now full access to the open forums of the House and its committees, yet when it came to radio and television another standard prevailed. In arguing ten years ago for a freer access, I said, and again I quote:

> So I speak out for a new understanding of the nature and uses of mass media and ask that they not be used to expose for purposes of power or popularity any individual in this House or outside it, but to create a more genuine, a more thoughtful and a more purposeful dialogue between our activity in the House and the thoughts and desires of the nation.

I believe that that particular passage has stood the test of time perhaps better than other things that I have said in the intervening period, but certainly I have not faltered in my essential commitment to the idea that there is a basic principle at stake here. Indeed, for those who have some difficulty in accepting the principle—I know that all of us, even myself, are concerned at the serious implications here—there is a particular irony, I think, in reflecting upon the access of television and radio to the House and its committees because we are a most unusual country. We are of such massive geographic proportion in relationship to the people who inhabit this country, and the very fact is that in order for people to understand what is happening in the various parts of the country we do rely in a vital way upon the mass media.

We are not essentially drawn together in one or two centres of the kind that exist in many European and other countries. Although there are some major centres we are, in a way, a ribbon of population extending from coast to coast. There is a certain irony in that in the sense that many other nations have already introduced broadcasting access, and now we are finally taking the plunge.

In addition, it is obvious that in recent years one of the chief problems we have faced in this country is that of understanding and communication. Yet the very subject matter that is before us this evening is, in effect, whether or not we can improve the communications that take place not only between members of this House but between those of us who are here as representatives of our various electoral districts and the people who sent us here to represent them.

Therefore I believe there is a fundamental principle at stake. It is a fundamental principle in terms of the right of access on the part of all citizens in this country, no matter where they live, or what their particular state or condition may be.

I agree with those who have suggested that parliament will be affected by the introduction of a more comprehensive mass media. But I am not one of those who think that the impact of that will necessarily be bad. While there may be problems—indeed, I am sure there will be problems that we will have to work out in the coming months—I think that the possibilities

and opportunities that are offered are quite significant and positive in terms of improving and updating our parliamentary system and making it more relevant.

But if it is true that the parliamentary process will be altered, it is also true, I think, that the media itself will be affected. I have been somewhat intrigued by the ambivalent attitude that the media have taken on this issue. Some of us here are critical from time to time of the responsibility or the accountability that exists in regard to the mass media. I think it is true to say that if there is to be a change of situation for members of parliament, there will also be a change of situation for those who are reporters, journalists and editorialists, realizing that there is another avenue of communication through the forums of parliamentary discussion in this House or its several committees.

That, Mr. Speaker, brings me to my central point, that parliament is, after all, something very special in our traditions and heritage. It is not the government, as has been clearly enunciated on previous occasions. It is a unique institution, as the word "parliament" suggests, where a special kind of talk takes place, a talk that does not involve the use of swords, as was the case with our ancestors, but a talk that attempts to test and validate the performance of government and its ideas, and their service to the nation itself. Therefore I think if we believe in that kind of elevated talk of what parliament is meant to provide, this should certainly find its place within the over-all mass media, not on an indirect basis, which has been the case and as has been mentioned by others, but on a direct basis. I am not saying we will immediately like everything we see as a result of television and radio access to this House and its committees, but I think the principle and the possibilities are well worth our support.

● (2140)

There are other things that, if I were to take more time, I might wish to say, but I think it would be more important, because, as has been indicated, this is a matter that has been before members not only for months but for years, that we in effect achieve some measure of consensus on this issue and then move on to many of the important issues facing us in this particular session of parliament.

I have been informed that from consultations and in discussions that have taken place between House leaders, as a result of an earlier motion that was put forward by my colleague, the hon. member for Grenville-Carleton (Mr. Baker), there is a general wish now, as indicated by Your Honour's earlier comments, to be open to a motion that I hope will find general acceptance with hon. members this evening. I would like to put it forward at this time, seconded by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn), as follows:

> That the motion be amended by changing the period after the words "of this resolution" to a comma, and adding thereafter the following:
>
> "and in particular
>
> (1) to examine the existing cost and technical studies of building, equipment, personnel and other requirements consequent upon the introduction of radio and television broadcasting of the House of Commons and its committees,

(2) to examine the possible effect of broadcasting on the rights and immunities of members of the House and the rights and protections due to the public, and

(3) to consider whether a period of trial broadcasting, or the broadcasting of special proceedings and debates of the House, would assist in the development of permanent facilities and procedures; and

That the committee be authorized to issue such reports on the above as will, in its opinion, facilitate the implementation of this resolution.

I would move this in the hope that it would accommodate the several positions and concerns that have been put forward in order that we can satisfactorily achieve what I think all members hope to achieve through the passing of this particular resolution, and that is that we make this parliament an even more responsible and accountable institution than it has been to date.

I think no member of this House would be prepared to say that all aspects of our present parliamentary system are perfect or could not in many instances be improved or made more relevant to the needs and concerns of the Canadian people generally. If, by taking the measure that is advocated in the resolution proposed by the government House leader, in addition to the words of the amendment I put forward a moment ago, we can achieve that end, then we will have served this parliament and our people extremely well.

The Acting Speaker (Mr. Turner): The House has heard the amendment to the motion proposed by the hon. member for Egmont (Mr. MacDonald). Is the House ready for the question on the amendment?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Amendment (Mr. MacDonald (Egmont)) agreed to.

The Acting Speaker (Mr. Turner): The question is now on the main motion as amended. Is it the pleasure of the House to adopt the said motion as amended?

Some hon. Members: On division.

The Acting Speaker (Mr. Turner): I declare the motion carried on division.

Motion (Mr. MacEachen), as amended, agreed to on division.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. Could the government House leader enlighten us as to what the government business of the House might be for tomorrow?

Mr. MacEachen: Yes, Mr. Speaker. I propose to call the metric conversion bill because of the necessity of having it in effect for the convenience of the grain trade by February 1. Following that I hope to take up the Income Tax Act.

Adjournment Debate

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise merely to suggest that since we have done a fairly good day's work and at least two of the late show performers are here we might now call it ten o'clock.

The Acting Speaker (Mr. Turner): Hon. members have heard the suggestion. Is it agreed?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—GARRISON DIVERSION—REASON FOR ACCEPTING DELAY OF REPORT OF INTERNATIONAL JOINT COMMISSION WITHOUT MORATORIUM ON CONSTRUCTION

Mr. Dean Whiteway (Selkirk): Mr. Speaker, on December 15 last I asked a question of the Secretary of State for External Affairs (Mr. Jamieson) which appears at page 2032 of *Hansard* for that date as follows:

Mr. Speaker, my question is for the Secretary of State for External Affairs. It is really supplementary to the question asked by the hon. member for Brandon-Souris regarding the Garrison diversion. My question is this: why, why, why, why would the government ... of Canada agree to the extension of the IJC report on the Garrison diversion without asking for a guarantee of a moratorium on construction?

The minister told me that this required an answer much more extensive than he could supply during the question period, and undertook to give me a comprehensive answer in written form. I received that written answer on December 21.

To understand this you have to get it into perspective. The Garrison diversion project is a multi-million dollar project which could adversely affect the entire Red River system, including all of Lake Winnipeg. This is a project which is now a decade old, a project that this year in the United States alone will cost that government some $23.5 million. It is a project that in itself will reach three quarters of a billion dollars. It is a project which has been a source of debate, counter debate, facts and counter facts. It has been the subject of months of investigation by the IJC. This is the scope of the problem and, in essense, the scope of my question, yet I received back from the minister his comprehensive answer consisting of one and a half pages indicating why the government of Canada has not acted to protect the interests of Manitoba.

I recognize fully the absolute right of the government to govern, making decisions concerning international relations and international agreements such as the Boundary Waters Treaty of 1909. I believe that should be so and that the government should have the benefit of making those decisions

but, Sir, it reflects nothing less than an act of criminality and neglect when the government fails to act.

● (2150)

If it is true that the government has the absolute right to govern, it also follows that members of the opposition have the absolute right of scrutiny, the absolute right to ask questions and to suggest alternatives.

With reference to the Garrison Diversion project I and many of my colleagues, including the hon. member for Winnipeg South Centre (Mr. McKenzie), the hon. member for Provencher (Mr. Epp), the hon. member for Brandon-Souris (Mr. Dinsdale), the hon. member for Churchill (Mr. Smith), the hon. member for Portage (Mr. Masniuk), and other colleagues from the NDP, have made suggestions to the government regarding how it should approach the U.S. in this matter. We have not only resorted to suggestions and requests, but we have begged. I myself have stood in the Chamber and have begged and pleaded that the government do what it is supposed to do, that is, to act primarily to protect the interests of Manitobans.

We have not suggested nor have we pleaded for irresponsible action by the government. Even before I was a member of the House my colleagues from Manitoba were suggesting that the government ask the U.S. government for a moratorium on construction, for the matter to be referred to the International Joint Commission to let them arbitrate it and, once they brought in their recommendations, only then should the construction proceed. That is reasonable and normal. Only two and one half years ago we were asking for that, but the government was silent.

Then at the eleventh hour there was a crisis reaction from the government. After years of pleading, the government decided last October to write to the United States government on the eve of a change in administration, on the eve of a presidential election in the U.S. At that time this government asked the President of the United States if he would consider a moratorium on construction. It did so when the project was 40 per cent completed and when the devastating results were there for everyone to see.

Proving everything I say to be true, the IJC report, which was tabled no more than a month ago, bears out our worst fears with regard to the Garrison Diversion project. The report states that the implications on the waterflow are far greater than was anticipated. Now this afternoon in this Chamber I rose to my feet, and in the absence of the Prime Minister (Mr. Trudeau) and of the Secretary of State for External Affairs I put my question to the Minister of State without Portfolio (Mr. Guay), from Manitoba. I asked him whether during the visit that the Prime Minister will make to Washington he will discuss the critical Garrison Diversion project with the U.S. authorities. The minister answered that he does not know and that he will look into the matter. He said the government has been vitally concerned with this matter for years. That is the problem with this government. Its members say they are concerned. They had the mandate to act, but they did nothing.

[Mr. Whiteway.]

I say to you, Sir, that if this government and if the Minister of State without Portfolio do not request the Prime Minister of this country to raise the matter with President Carter as a matter of priority and urgency, the minister will have no other choice than to resign, and the government of Canada, which was elected with a mandate to act, will have reneged and forfeited its right to govern. If they cannot govern and they do not know how to step aside, we are ready and able to take over.

● (2200)

[*Translation*]

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, first of all I think it is important to point out that the minister without portfolio from Manitoba, the hon. member for St. Boniface (Mr. Guay), has gone very deep into this issue and made many representations to his colleagues, particularly to the Secretary of State for External Affairs. The government as well has been very concerned about protecting Canada and Manitoba particularly. I hope to be able to answer in a precise and appropriate way in the short time I have to go into this issue. This point was raised for the first time by the hon. member on December 15, and on that occasion the Secretary of State for External Affairs told him that it was impossible to answer such a question during the question period. The question raised by the hon. member for Selkirk (Mr. Whiteway) on December 15 was as follows:

> Why did the government of Canada agree to the extension of the IJC report on the Garrison diversion without asking for a guarantee of a moratorium on construction?

In a letter dated October 12, 1976, the government of Canada asked the government of the United States to postpone all the work and decisions concerning the construction of the Lonetree reservoir until the report from the commission had been received and subsequent consultations between the two governments had been held. In my opinion, this constitutes a request for a moratorium on construction, such as the hon. member requested.

In a letter dated August 5, 1976, the International Joint Commission explained that the delay in the publication of its report was due to the fact that the Garrison Diversion Study Office had not yet completed the report that it was to submit to the commission. The office was unable to meet its August target date mainly because it had to provide an in-depth and knowledgeable evaluation of available data concerning water quality and also guarantee their reliability. These data from the basis for the forecast concerning the eventual effects of the project on the quality of the Souris and Red Rivers in Canada. The governments of Canada and the United States have obviously understood the need for the commission to have at its disposal accurate data concerning water quality to help in the preparation of its final report.

They have also recognized the validity of the other main explanation given by the commission, that is that the population of both countries must be given enough time to study the report of the Garrison Diversion Study Office before holding

public hearings on this subject. I should perhaps emphasize at this point that one of the main considerations that motivated the Canadian-American reference of the Garrison Diversion Project to the IJC was based on the fact that the International Joint Commission is an independent and impartial agency which has always submitted positive recommendations to both governments. Having said this, the commission was given important terms of reference according to which it was asked to make all the recommendations that it judged necessary to ensure compliance with the provisions of section IV of the Boundary Waters Treaty. In the last analysis, the IJC therefore had to determine—

[*English*]

The Acting Speaker (Mr. Turner): Order. I regret to interrupt the hon. parliamentary secretary, but his allotted time has expired.

[*Translation*]

MANPOWER—REQUEST FOR PRECISE DATE OF APPLICATION OF PROVISION OF BILL C-69

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I wish to point out this evening that on December 20, 1975, this Parliament passed legislation, namely Bill C-69 amending the Unemployment Insurance Act. The unemployment insurance allowances paid to 65 year-old individuals were immediately cut. Afterwards I asked a question to the minister concerning one of my constituents who during the period in which he had received allowances had suffered a heart attack. I imagine he had not chosen that time to have it. Of course I had telephone and personal contacts with the Unemployment Insurance Office, more especially with the one at 2020 University Street in Montreal, an office where I hope the minister could launch an investigation because it has given rise to many problems even if few of my constituents deal with that office.

I phoned that office to explain the facts. I was told: The legislation came into effect on July 4, 1976. Reference was made to section 25(b). I again brought up the matter in the House and was told the same thing. Having made some inquiries, a letter which I received from the minister confirmed that section 25(b) was indeed in effect since January and not July. But that was not enough. Section 29(5) was referred to and the whole issue was confused in such a way as to prevent the beneficiary of my constituency from receiving his allowances. I asked the minister's office to provide complete data concerning that beneficiary. When did he become unemployed? How many allowances did he receive? When I phoned the departmental office during the summer, that is on September 21, 1976, I was told: He was entitled to 25 weeks' benefits. He was paid until March 1976 and he took sick after the initial period. I am told he should be paid. I would not want to create any confusion, because it was the secretary to the minister's assistant who anwered my questions but she said that he should have been paid until June 1976. What I find strange about all this is that in one paragraph of a letter dated December 7, 1976, which I have here in my hand, I am told that the person was declared ineligible for unemployment benefits from March 19, 1976 because, according to the act, he could not work. That reflects section 25(b) of the Unemployment Insurance Act.

Mr. Speaker, far be it from me to blame the minister or the parliamentary secretary, but I want to say that to us, members of parliament, whether we voted for or against a bill, the thing that matters is that the majority wins in our system. That act was passed on December 20, 1975, and then we are told: Very well, but such and such a paragraph comes into effect on such and such a date. Let no one come and tell me that an act passed by parliament on December 20, 1975 contains sections to be applied only as of July 1976. As for the members of parliament, I want to say once and for all that we should be able to give new purpose to our role. What do we do in this House?

Throughout that administration we are told: For the old people, the cut is immediate; there is no administrative problem. But on the other hand, in other sectors, cuts are put off because it is more advantageous. Personally, I find that illogical, Mr. Speaker. That is why I have asked for this discussion tonight with the minister who is probably busy, I realize that. So, his parliamentary secretary is in the House, and I am grateful for that.

However, among the other letters dated January 20, 1977, there is one dated December 23, 1976. They even contain inconsistencies. I feel that it is sheer madness in the case of this stevedore who, at a certain time during his unemployment insurance eligibility period, became ill, and all of a sudden, they refer sometimes to one section of the act, at other times to another. The situation is about the same in about every other darn area. One day, parliament will have to make up its mind. If it does not, something may happen which will certainly not be interesting.

That is the fundamental issue not only for my constituent, but for the reassessment of the function of elected representatives in the House of Commons. If we adopt a legislative measure, let it be put into force from the moment we have adopted it. Otherwise, let us change the system. I do not know what to do. One day, we shall have to make up our minds. I conclude; I know other hon. members wish to speak after me. There is the parliamentary secretary who will reply to me, and I am anxious to hear what he has to say, especially in connection with Mr. Charles Dubé's problem.

Mr. Arthur Portelance (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, what the hon. member for Hochelaga just described is a special case. It is true that he received certain letters from the minister. But as regards the amendment contained in section 7, its purpose is to prevent beneficiaries who are no longer on the labour market from receiving sickness benefits. Therefore, Bill C-69 proposed to amend the act in order that sickness benefits be paid to those beneficiaries who could work if they were not sick, injured or quarantined.

That amendment was reflected in paragraph 25(b) of the Unemployment Insurance Act and came into force on January

4, 1976. However, as regards the case mentioned in the letter of December 7, 1976, it was subsection 29(5) of the act, which came into force on July 4, 1976, that applied. Subsection 29(5), or clause 9(2), brought into the act an element of flexibility with regard to the payment of sickness benefits. First class beneficiaries can now receive up to 10 regular weekly benefits without restricting their right to sickness benefits. They may now receive a maximum of 10 regular weekly payments, plus 15 weekly sickness benefits within an over-all period of 39 rather than 29 weeks.

I would also like to specify that subsection 29(5) of the act came into force on July 4, 1976, because of the necessary computer programming involved, which was not needed in the case of paragraph 25(b).

[*English*]

The Acting Speaker (Mr. Turner): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until 2 p.m. tomorrow.

Motion agreed to and the House adjourned at 10.10 p.m.

HOUSE OF COMMONS

Wednesday, January 26, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC SERVICE

SUGGESTION EMPLOYEES BE INFORMED OF THEIR INCLUSION IN ALLEGED BLACKLIST—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter which continues to be of urgent and pressing necessity for this House. In view of the continuing refusal of this government to investigate charges of blacklisting against senior civil servants, I would move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House go on record as opposing the procedure apparently followed by the former Solicitor General and, further, that this government inform the 21 persons who were blacklisted, on a confidential basis, of their inclusion on such list so that they themselves, if they wish, may take appropriate action to clear themselves with their government departments so that their careers may not be jeopardized thereby.

Mr. Speaker: Order, please. Such motion pursuant to Standing Order 43 cannot be presented to the House for debate without its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AGRICULTURE

REQUEST THAT INCREASE IN PRICE OF FEED GRAIN BE STUDIED—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with a matter of pressing necessity.

In view of the fact that the price of feed grain is soaring in eastern Canada and since those increases will have unfavourable effects on the production costs of dairy and other products, thus greatly reducing the income of farmers in that part of the country, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the House authorize the Standing Committee on Agriculture to undertake a study to discover what are the real causes of higher prices for feed grain and also inquire whether those increases will at least accrue to grain growers.

Mr. Speaker: Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

* * *

TRANSPORTATION

REQUEST FOR DREDGING AT ISLE D'ORLÉANS—MOTION UNDER S.O. 43

Mr. Roch La Salle (Joliette): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion.

Considering that dredging works have been completed in 1975 by the federal government at the level of the north crossing on the St. Lawrence, across from Isle d'Orléans, and that no other maintenance works has been done since that time; since the federal government has already decided to place this responsibility on the main user, the Compagnie Aigle d'Or Canada Ltée, while it is normally a federal responsibility, except in this very case, according to the company involved; and finally considering that this unfair situation is causing considerable delay in the development of Quebec harbour, because the company in question cannot afford such costly works, I move, seconded by the hon. member for Hochelaga (Mr. Lavoie):

That this House recommend unanimously to the minister in charge to assume the cost of the works involved and to complete them during the summer of 1977.

Mr. Speaker: Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

● (1410)

ORAL QUESTION PERIOD

[*English*]

FEDERAL-PROVINCIAL RELATIONS

PREMIER LÉVESQUE'S SPEECH IN NEW YORK—GOVERNMENT ACTION TO COUNTERACT SEPARATIST PROPAGANDA

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Prime Minister. Given the fact that Premier Lévesque's address last night to United States businessmen enabled him to outline the Quebec government's view of Canada's future to a large audience of Canadians and Americans, and also given the premier's assumption that his objectives could be achieved with little or no economic dislocation, what specific studies has the federal government undertaken, and what information is being prepared for parliament and for all Canadians, about the strong social, political, and economic benefits that accrue from the federal system?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the minister next to me indicates it is part of our whole activity as a government, and as a party, to spell out to Quebeckers in particular and Canadians in general why it is preferable that Quebec remain in confederation.

Miss MacDonald: Given that any uncertainty about the future of the country in the United States might very well affect decisions on investment in Canada which would be detrimental to our economy, and since Mr. Lévesque tried to give the impression that the breakup of Canada is inevitable and that some American businessmen might believe him, what new initiatives in the light of this is the government taking to offset his propaganda given in a foreign country and also to ensure full confidence abroad in our future?

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I do not think this is the appropriate place for me to comment on a matter like this. Obviously, it is the duty of all of us as parliamentarians to prove to Canadians on a constant basis that Canada is a better place to be in than if it were broken up by any one province. That is the whole essence of our actions in parliament and that is what we will continue to do. I hope we will be joined in that by the opposition.

Some hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, I will direct a final supplementary to the Prime Minister since he has not responded to the questions that I put. Given the gravity of the present political situation in Canada, which I hope the Prime Minister does not underestimate, and given the continual public relations campaign against national unity by Premier Lévesque, is the Prime Minister saying that no special efforts other than a continuation of the status quo are being made to hold this country together?

[Mr. Speaker.]

Mr. Trudeau: Mr. Speaker, the action of this government, at least since I have been Prime Minister, has been to try to prove to Quebeckers that it was to their advantage to be part of Canada, to remain in confederation. It has been our continuing effort also to indicate to the rest of the Canadian people, those outside of Quebec, that it is to their advantage to keep Quebec in confederation. However, we do not believe that it is enough to say to each other that we love each other. It is important that the rest of Canada adopt certain policies which permit Quebeckers to feel that they are an integral part of Canada, that they have equal rights in Canada.

Some hon. Members: Hear, hear!

Mr. Trudeau: In other words, Mr. Speaker, if we want to keep Canada together in both of the linguistic communities, we have to accept the reality of the existence of the other and make a number of concessions to accommodate to that reality. This is our approach to national unity. Perhaps the policy research group of the opposition will come up with an alternative policy some time down the road. Then, we will know how the Tories are thinking.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I am going to pose a supplementary question because, frankly, I resent the inflammatory manner in which the Prime Minister has answered these questions. The questions asked by the hon. member for Kingston and the Islands were perfectly straightforward and the Prime Minister can count upon the co-operation of the opposition under our present leader just as he could under my leadership. May I ask the right hon. gentleman whether he intends to continue to try to bait the opposition with regard to this question and conduct it along partisan lines or whether he is really trying to unite this country and all the political parties in meeting this very difficult problem?

Some hon. Members: Hear, hear!

Mr. Trudeau: I am surprised that the hon. member for Halifax should assume that it is possible for me to unite the opposition with the government in our approach to Canada, in our approach to federalism. Obviously, we have different ways of pursuing national unity. This has been explored in our programs and debated during successive election periods. We shall continue to do our best.

As to the questions to which I responded a few moments ago asking me to comment on a speech made by a premier of a province in New York, by a premier of whom we know it is the essence of his actions to try to break up the country, I do not think the House expected me at this time to enumerate all the things we have done or shall be doing to try to keep the country united. That is why my response—and I think it was a perfectly proper one—was to indicate that we have a certain approach to confederation which I assume is different from that of the opposition. But we shall continue to promote it and if the opposition wants to join forces with our prescription for

unity we shall welcome them, of course, but it is not apparent to me that that is the case.

Some hon. Members: Hear, hear!

Mr. Stanfield: I will try a further question—I have been through this with the Prime Minister for some eight years. Does the Prime Minister consider it inappropriate for a question to be directed to him asking him what is being prepared by the federal government by way of information to give to the Canadian people to try to offset the kind of propaganda in which Mr. Lévesque indulged in New York? Does he consider it inappropriate that he should be asked in the House what measures he intends to take to counteract any undermining of confidence in Canada created by that speech? These are perfectly simple questions which have been put to the Prime Minister.

Mr. Trudeau: They are perfectly simple questions, Mr. Speaker, and I gave perfectly simple answers. The House and the opposition may not agree with them, but in all earnestness I repeat that we have been for many years now engaged in the task of trying to counteract separatist propaganda in the province of Quebec. The question has achieved new urgency now because of the recent election, but we did not discover the danger of separatism in the last two months, Mr. Speaker.

● (1420)

Mr. Paproski: You said it was dead six months ago.

Mr. Nowlan: What is this, a resurrection?

Mr. Hees: You had better tell him what to say, Marc; he is getting into trouble.

Mr. Trudeau: Judging from the nervousness of the opposition, Mr. Speaker, they seem to have discovered the danger only last night.

Some hon. Members: Hear, hear!

Mr. Trudeau: I am glad that the lecture in New York by the premier of Quebec has made all Canadians come to the realization that we are in a certain danger. I talked about crisis just six months ago in this House but the opposition pooh-poohed it. I talked about a crisis then because the government's policy on official languages in Canada was not taken seriously enough by a lot of powerful people in this country. So it is not possible today, just because of what happened last night, for me to work myself up into a fervour and say that we are doing a whole lot of new things.

Mr. Paproski: You have not done that for years.

Mr. Trudeau: We are going to continue to fight for the unity of this country.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Prime Minister. I would remind the Prime Minister that it was he who six months ago said that separatism was dead.

Some hon. Members: Hear, hear!

Mr. Broadbent: With regard to what he said was his policy—and I should like to get a clear answer on this—in reply to both questioners from the official opposition he made reference to one policy of the federal government, and I want the Prime Minister to be clear so that we and the people of Canada understand where he is going. Is he saying that the Official Languages Act is the sole foundation of the Liberal party's approach to this question? Because that is all he referred to today. I ask the Prime Minister this because, given the fact that it has created difficulties in the rest of Canada, even though all parties accepted it, more importantly it remains monumentally uninteresting to the people of Quebec. Is the Prime Minister saying he is going to keep Quebec in the federal union by pushing a policy they are not interested in one bit?

Mr. Trudeau: Well, Mr. Speaker, I find it a bit misleading to say that it is monumentally uninteresting in Quebec when there has been a great deal of discussion before, during and since the election by people in Quebec, separatists and non-separatists, who have been complaining about the fact that our Official Languages Act had not had the effect they had hoped, particularly in the air traffic controllers and pilots affair. Obviously, they had always assumed that this act was going to work. They assumed that it would be acceptable. They assumed that it would have more effect than it did. So this seems to me to prove, Mr. Speaker, that it is a matter of very great importance to them.

As for the preamble to the question, all I said—I repeat it and I think anyone who knows the events of the last provincial election will confirm this—was that when a separatist party has to say that it wants to get elected not on separatism but on good government, it proves that that party itself, the party of the separatists, does not believe that separatism has the support of the electorate of Quebec.

Some hon. Members: Hear, hear!

Mr. Trudeau: That was my point, Mr. Speaker, and it remains my point, that the Parti Québécois had to hide the fact that it was separatist in order to get enough votes to be elected in the province of Quebec. That supports my point that separatism was not willed by the people of Quebec.

There is a greater danger now because, having been elected on good government, it is obvious that Mr. Lévesque and his party are forgetting that they do not have a mandate for separatism. Mr. Lévesque apparently talked of little else last night in New York. He enumerated the things that his government would do, none of which require a change in the constitution; that is to bring in good government, to follow priority, to save money, to bring in better social security, to nationalize asbestos—none of those things demand separation. He continues to prove that the people of Quebec do not believe in

separation, but they will begin to believe it, Mr. Speaker, if the rest of the country does not understand the conditions under which Quebec will stay in confederation, and these are the conditions that this government has been preaching and trying to follow for the past year.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, I have a supplementary for the Prime Minister. In agreeing that the premier of Quebec said on television that what he wanted to provide was good government to the people of Quebec, and did not argue that separatism was required for that, I should like to ask the Prime Minister whether he would not also agree that Mr. Lévesque won his election on a social democratic program which he referred to—

Some hon. Members: Oh, oh!

An hon. Member: Cheap political talk.

Mr. Broadbent: He referred to the program—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Some hon. Members: Oh, oh!

An hon. Member: It was Marc Lalonde's program.

Mr. Speaker: Order, please. The questions obviously demanding and attracting the attention of the lead questioners of parties on the opposition side should certainly not be set aside by the Chair in view of their importance and tremendous momentary impact. However, up to the moment I have listened to the questions carefully to make sure that they would elicit information from the Prime Minister in respect of his position, but, having regard to the last question, it would obviously elicit information about an event outside the administrative responsibility of the Prime Minister.

SUGGESTION FEDERAL GOVERNMENT PUT MORE EMPHASIS ON ECONOMIC POLICIES TO KEEP CANADA UNITED

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I will try to get the information. Would the Prime Minister agree that Mr. Lévesque's appeal in respect of the Official Languages Act played no role in the official campaign of the Parti Québécois, but that in complete contrast what played the central role was the need for government programs that would deal with unemployment, with housing and with fair taxation? If the Prime Minister agrees with that, would he not agree that it is time the national government of Canada concerned itself with these programs that do affect the people of Quebec as well as elsewhere?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the national government pursues as best it can, in difficult economic times, the policies that we as the federal government feel appropriate for this country, and the results are still continuing—

Mr. Broadbent: And you lost Quebec.

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, there has not been a federal election in Quebec in the last three years. The federal election was in July 1974 and we won that election in Quebec.

Some hon. Members: Hear, hear!

An hon. Member: You wouldn't today, Pierre.

Mr. Trudeau: The Quebec election was lost by a provincial government—

● (1430)

Mr. Broadbent: With your program.

Mr. Hees: With your help, and it was a Liberal government.

Mr. Trudeau: The party which lost was not preaching separatism but better government. I am not surprised that this party chooses to identify itself with the social democratic label. I am happy if it makes the Leader of the New Democratic Party happy. I remember a couple of years ago when the New Democratic premier of British Columbia described Mr. Lévesque, separatist as he was, as a great Canadian. This is not our view. We feel that he is not a great Canadian.

Some hon. Members: Hear, hear!

Mr. Trudeau: He may have won an election on a good government policy. We will try to win the next election in Quebec and elsewhere on our programs and on our performances.

Mr. Baker (Grenville-Carleton): God help us!

Mr. Trudeau: That will be the test in the next federal election, but I completely disagree with the inference put forward by the Leader of the New Democratic Party.

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[*Translation*]

FINANCE

SUGGESTION BANK OF CANADA GRANT INTEREST FREE LOANS TO PROVINCES

Mr. André Fortin (Lotbinière): Mr. Speaker, I would also put a question to the right hon. Prime Minister.

Last night, we all witnessed the premier of a Canadian province talking to American financiers about financial matters and about his program, not at all about linguistic problems. Mr. Speaker, to be faithful to the propositions that Réal Caouette used to make to maintain a united Canada when he said that we should finance the provinces and help them develop the public sector. Given those circumstances, would

the Prime Minister agree to reconsider the position of his government and submit to the House amendments to the Bank of Canada Act in order to give Canadian provinces a source of revenue and capital other than that of foreign countries? This would prevent such sad spectacles showing our fellow citizens crawling before foreign forces to maintain the development of our own country. Is the government aware of this fact and does it consider that national unity is worth taking over the development of the public sector through our own bank, the Bank of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not think my answer will satisfy the hon. member because we do not agree on the monetary theory. We believe that the province of Quebec, all the provinces of Canada and the Canadian government as well must borrow out of the savings of Canadian citizens or those of other countries. If Mr. Lévesque goes to New York or Europe to borrow his funds, he is doing exactly what the other provincial premiers do, and we do not believe that we just need to print more dollars to be able overnight to achieve everything in this country.

Mr. Fortin: Mr. Speaker, on a supplementary.

Is the right hon. Prime Minister aware that the system he protects—as he just said—by trying to ridicule a solution rather than appreciating it, is planning the construction of 40—only 40, that is not much—housing units in Quebec, in one of my colleagues' riding, to be financed by a federal government loan of $966,960, at a rate of interest of 10 per cent, compounded, for a term of 50 years? Does he realize, instead of laughing at the Social Credit Party of Canada, that the system he protects will force Quebeckers he wants to keep in confederation to reimburse to the federal government the amount of $4,773,350 and that, under those circumstances, it is not interesting to remain in confederation since it only leads to impoverishment, and that provoking the dismemberment of the country is simply a means to maintaining that system?

Mr. Trudeau: Mr. Speaker, I do not scoff at the Social Credit Party of Canada; I say merely that I disagree with its monetary theory. My answer to the hon. member is simply this: the government itself, the government of Canada, pays the interest when it borrows from the citizens. It pays interest in hundreds of millions of dollars each year when it issues Canada Savings Bonds, it pays interest to the citizens who agree to lend it money. If the citizens, including the hon. member, were willing to lend to the government without interest, it too could lend interest-free money to others. But clearly no one asks anyone to hand over his savings without asking for some interest. That applies as well to the government of Canada as to that of Quebec, of the other provinces, and any individual who wants to borrow.

Mr. Fortin: Mr. Speaker, a last supplementary.

I should like to ask the Prime Minister whether he is aware that the Bank of Canada does not have the right to lend money to the provinces, and also, what difference is there between $100 million coming from New York and $100 million coming from the Bank of Canada, guaranteed by the same resources and faith in the future?

* * *

[*English*]

PUBLIC SERVICE

REASON FOR FIRING WALTER RUDNICKI—INQUIRY WHETHER MR. RUDNICKI'S NAME ON ALLEGED BLACKLIST

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Minister of Justice. It refers to a matter which has been exposed in the House over the last few days, namely, that of an extra-parliamentary opposition list.

Even though the minister was not responsible for the same portfolio at the time the list was circulated, he was, nevertheless, responsible for firing a senior civil servant for reasons which were found by a judge of the Supreme Court of Ontario to be wrong. Can the minister tell us today what the real reasons for firing Walter Rudnicki from his position with Central Mortgage and Housing Corporation were at the time and whether the minister was aware of the blacklist on which Walter Rudnicki's name appeared?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the premise of the question is incorrect as to the finding of the court in Ontario that the dismissal of Mr. Rudnicki from CMHC was wrongful. The balance of the question has been answered by the minister administratively responsible.

Mr. Oberle: Mr. Speaker, if it is permissible I would like to ask the minister, since he was directly responsible for the department in which this senior civil servant worked, since he was directly responsible for firing him, and since he displayed little concern at the time for the future of this person—

Mr. Speaker: Order, please. I am not very much concerned about the argumentative portion at the end of the hon. member's question, but he is seeking the opinion of the Chair, I am sure, in his preamble as to whether it is proper for him to ask questions of the present Minister of Justice about his capacity in an earlier portfolio, and I am sure the House understands we have clearly established that that is not proper.

Mr. Oberle: May I phrase the question somewhat differently and merely ask the minister if in his present position as Minister of Justice he would be prepared to display a somewhat greater concern for the injustice which has been perpetrated on this senior official?

Mr. Speaker: Order, please. The hon. member for Central Nova.

ALLEGED CIRCULATION OF BLACKLIST OF EMPLOYEES—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I would like to ask a supplementary question of the present Solicitor General. Is he now able to tell this House something

about what seems on its face to be a rather unfair and paranoid course of action, that is, the circulation of a list which yesterday the government was saying did not exist?

Hon. Francis Fox (Solicitor General): Mr. Speaker, first I would like to make one general remark. In view of the fact that this matter has been bandied back and forth across the floor of this House, and in view of the fact that a number of references have been made to a blacklist, as far as the blacklist is concerned, as that word is normally understood, there is no such thing in existence at the moment, nor can I determine that any such "blacklist" existed in the past.

An examination of the files of my department for the period mentioned by the hon. member yesterday does indicate that there was concern at that time that some government employees might be deliberately releasing government classified information without authorization. Names of those employees were given to the minister of the departments and agencies concerned—

An hon. Member: That is blacklist.

Mr. Fox: —and they were advised by the solicitor general at the time that steps should be taken to ensure that these government employees be fully advised and briefed as to their responsibilities for ensuring the security of classified government information. It was, of course, from that point on the responsibility of each government department to use its own judgment on these recommendations since security matters are a governmental responsibility.

I should like to add that this information was transmitted with the utmost discretion in order that it would not be harmful to the reputation of those involved.

Some hon. Members: Hear, hear!

BASIS ON WHICH ALLEGED BLACKLIST COMPILED

Mr. Elmer M. MacKay (Central Nova): This extra-parliamentary opposition list is the only way I have heard it referred to in this House. I want to ask the minister whether, so far as this government is concerned, a difference of opinion, of philosophy or of value systems constitutes grounds for discrimination by this government in the circulation of such a list by this government, which used to call for a just society, and whether or not we could get some information about the justification, the basis and the input of those who compiled the list. Who is ultimately responsible for the circulation of this list, was it the then solicitor general?

● (1440)

Hon. Francis Fox (Solicitor General): In answer to the first part of the question with regard to discrimination against people not fully sharing the views of this government, of course, no such list whatsoever was compiled on that basis. The list that would have been compiled to which the hon. member refers was based on the vital information to which I referred in the first part of my answer to the hon. member's first question.

[Mr. MacKay.]

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MANPOWER

POSSIBILITY OF QUEBEC ABROGATING TRAINING AND MOBILITY AGREEMENTS—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct my question to the Minister of Manpower and Immigration. In the knowledge that he has expressed his regrets regarding the scrapping by the minister of immigration in the province of Quebec of federal English language courses for immigrants at immigration centres and that he intends to meet that minister in order to determine what is happening and where he intends to go, and in the knowledge that there are other programs under the minister's jurisdiction dealing with manpower, such as assessment agreements, mobility agreements and adult occupational training grants, which also call for the implementation of agreements by the federal government and in particular at this time by the province of Quebec, has the minister received any indication from his counterpart in the province of Quebec as to the provincial government's intentions with respect to these agreements, keeping in mind that these agreements are based on equality of opportunity?

Hon. Jack Cullen (Minister of Manpower and Immigration): No, Mr. Speaker, other than what has been referred to dealing with the cancellation of English classes for immigrants, I have had no other communication to that effect.

Mr. Alexander: Mr. Speaker, in light of the gravity of this situation and of the fact that the minister intends to meet the provincial minister responsible for immigration, would he at the same time take it upon himself to meet the minister of manpower, if that is what he is called in the province of Quebec, in order to determine what that government's intentions are with respect to these federal-provincial agreements, and would he kindly report his findings to the House?

Mr. Cullen: We have in each province a manpower needs committee and the Quebec federal manpower committee is to meet within the next ten days. At that time our officials will be having discussions, and perhaps out of that will flow any suggestions that have to be made. I think Mr. Couture was talking at one instant about doubling the amount of money spent on training in French language for immigrants, but given the decline in immigration it does not seem to be warranted. But I think our federal-provincial manpower committee should look into all these areas and these items will be discussed probably before I meet with my opposite number in Quebec.

ABORTION

POSSIBILITY OF NEW LEGISLATIVE PROVISIONS—REASON FOR STUDY BY DR. BADGLEY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to put a question to the Minister of Justice. I have put this question before in reference to this matter. Is it the intention of the Minister of Justice to bring in new legislation on abortion in light of the fact that the minister intimates that the present law is not working or is working very badly?

Hon. Ron Basford (Minister of Justice): I have not intimated that. My present intention is to table in the House the report of Dr. Badgley, and I anticipate doing that in the next few weeks.

Mr. Woolliams: In light of the fact that the minister denies that he has intimated that, could he explain to the House why it was necessary to have Dr. Badgley look into the matter if the law is working so well?

Mr. Basford: Dr. Badgley was appointed to determine in what manner and how equitably the present law was operating, and that is what his report will deal with.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGED INTENTION OF QUEBEC TO TAKE OVER FUNCTIONS OF FORCE IN THAT PROVINCE—POSSIBILITY OF COMPENSATION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, Quebec justice minister Marc-André Bédard said on January 11, 1977 "we find it incomprehensible that the federal government finds the means to keep the RCMP in Quebec, given that the administration of justice is the sole jurisdiction of the province and the government of Quebec wishes to take over all the RCMP functions in Quebec". Can the Solicitor General inform the House what negotiations, if any, are going on between his department and the government of Quebec on the presence of the RCMP in the province?

Hon. Francis Fox (Solicitor General): Mr. Speaker, there are no negotiations whatsoever going on between my department and the department of justice in Quebec concerning the presence of RCMP in that province. The RCMP is a police force which is at home in every province in this country. I have however, in view of the stated ignorance by the minister of justice as to the operations of the RCMP, many of which have been carried out in the past at the instigation of the attorney general of the province of Quebec, asked my officials and the RCMP officers in Quebec to bring him up to date on our activities in that province.

Mr. Hnatyshyn: Justice minister Bédard at the time added that Ottawa owes Quebec $370 million for the provision of police services in Quebec based on the amount of money Ottawa gives to the provinces in which the RCMP acts as a police force. Can the minister tell me whether it is the government's intention to provide funds to Quebec to assist in payments for that force in Quebec and, in view of the statements of the minister, is the government contemplating at any time in the foreseeable future the withdrawal of the RCMP from the province of Quebec and allowing the Quebec provincial police to assume RCMP duties there assisted by federal funds?

Mr. Fox: The answer to all the hon. member's questions is no. I should point out, however, that, as he knows full well, when we talk about police services in the country we are not talking about shared cost programs but the federal government has been offering services to certain provinces, for which they pay money to the federal government, not the other way round.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

SUGGESTION PRIME MINISTER'S SPEECH IN WASHINGTON BE TELEVISED

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is for the Secretary of State.

All members and all Canadians already know that, on the invitation of the new President of the United States, the right hon. Prime Minister of Canada is to address the U.S. Congress and Senate some time in February and that this is a première for a Canadian Prime Minister. Here is my question: could the Secretary of State get from the Canadian Broadcasting Corporation the assurance that the Prime Minister of Canada will get the same treatment, solicitude and publicity as this Crown corporation has given the premier of Quebec yesterday?

Hon. John Roberts (Secretary of State): Mr. Speaker, I am absolutely convinced of the significance of the right hon. Prime Minister's speech, as the hon. member has indicated, and I would certainly agree that the Canadian Broadcasting Corporation should be apprised of the importance that all hon. members, I am sure, attach to this speech.

* * *

[*English*]

PUBLIC SERVICE

ALLEGED BLACKLISTING OF EMPLOYEES—INQUIRY WHETHER MR. RUDNICKI AND OTHERS ADVISED THEY WERE ON THE LIST

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Solicitor General. The Solicitor General has now had the opportunity of perusing the June 15, 1971 letter from his predecessor with regard to the alleged listing of civil servants. Would the Solicitor General advise the House whether, in view of the fact that Walter Rudnicki insisted he was included in such a list, he can confirm that in fact Walter Rudnicki was on that list which he has had an opportunity to look at, and can he advise the House whether

Walter Rudnicki was advised about being on that particular list at that time or was anyone else advised they were on such a list?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I am not prepared to confirm the presence of any individuals named on that list for the obvious reason that it must be prejudicial to the reputation of any person whose name would be on such a list.

● (1450)

POSSIBILITY PERSON ON BLACKLIST COULD AFFECT SECURITY OF COUNTRY—GOVERNMENT POSITION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question of course was directed only to the case of Walter Rudnicki who himself has insisted that his name was placed on that list. As a supplementary question, may I ask the Solicitor General if he can advise the House how it is that people on that list, who may be employees of Central Mortgage and Housing or DREE could adversely affect the security of this country in the terms defined in the Official Secrets Act? Is there information that those persons could have adversely affected it within the meaning of that act?

Hon. Francis Fox (Solicitor General): Mr. Speaker, as I indicated in my initial response, the sole recommendation made by the Solicitor General at the time was that the people whose names had been identified be briefed on the proper security procedures and the importance of not leaking government information or government documents which contained classified government information.

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MANPOWER

CANADA WORKS PROGRAM—SUGGESTION PROGRAM FOR NEWFOUNDLAND BE ON EMERGENCY BASIS

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that 55,000 people in the province of Newfoundland are drawing unemployment insurance and another 9,000 are drawing short term assistance—these figures have been confirmed by the Unemployment Insurance Commission and by the Newfoundland government—thereby representing 35 per cent of the work force; and in view of the fact, as pointed out by the hon. member for Oshawa-Whitby yesterday that the minister's works program is based on the Statistics Canada figure of approximately 14 per cent, may I ask the minister what he intends to do about what has to be an extraordinary situation? Would he accept the suggestion that he look at the possibility of ongoing federal programs being expedited on an emergency basis to alleviate this critical situation?

Hon. Jack Cullen (Minister of Manpower and Immigration): First of all, Mr. Speaker, the criteria for the new Canada Works Program will not be based on the criteria for LIP. We are endeavouring to improve on that. I am meeting with my officials to go over it and see if we can bring more equity into the program so that we have a more realistic determination of the figures. As far as expediting it, that is what we are endeavouring to do. But each time we endeavour to expedite it, representations are made in the House that deadline dates be extended and that we need more time. What I want to do if possible is expedite the programs that we have; get the applications in and get them approved so that the people can get to work.

Mr. McGrath: A supplementary question, Mr. Speaker. Realizing the seriousness of the problem may I ask the minister if he would be prepared to send a team of his senior officials to Newfoundland to discuss joint programs with the Newfoundland government which is already seized with the seriousness of the situation and is trying to meet it with whatever remedies lie within their jurisdiction.

Mr. Cullen: Mr. Speaker, we are ahead of the hon. member. We are constantly meeting with officials from Newfoundland. We have a Newfoundland Federal-Provincial Manpower Needs Committee. We look into all of these areas. I think the fact that in the final analysis we put something in excess of $17 million into that particular region under the LIP program indicates our concern and our knowledge of the situation as expressed by the hon. member. I do not think it is anything new.

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AGRICULTURE

PROVISION OF ADDITIONAL REFRIGERATED RAILWAY CARS FOR TRANSPORTATION OF POTATOES

Mr. David MacDonald (Egmont): Mr. Speaker, I have a question for the Minister of Agriculture. Last November the minister indicated that because of the alarming situation with respect to the deterioration, both in numbers and in quality, of refrigerated cars for moving potatoes from eastern Canada, that he would be preparing a submission to cabinet suggesting that the government place on order something like 800 to 1,000 refrigerated boxcars or insulated boxcars in order to service this traffic which would certainly be hampered very much in the future if not this year if such provisions were not made. Has that memorandum been prepared and submitted?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, a lot of work has been done on it and it should be submitted soon.

Mr. MacDonald (Egmont): A supplementary question, Mr. Speaker. I wonder if the minister could indicate whether he has achieved some measure of agreement with the governments of Prince Edward Island and New Brunswick on this. At stake here is a very large question with respect to future transportation, both by rail and by other modes.

Mr. Whelan: Mr. Speaker, the submission will take in all of these facts. They are being considered.

* * *

NATIONAL FILM BOARD

REASON FOR REFUSAL TO RELEASE ENVIRONMENTAL FILM ENTITLED "FORECAST FOR SURVIVAL"

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, in the absence of the Minister of Fisheries and the Environment may I put a question to the Secretary of State? It relates to a film produced by the National Film Board and which was commissioned by the Department of the Environment. The film was entitled "Forecast for Survival" and was completed in July, 1975. Despite repeated requests for release of the film, which cost several thousand dollars, the release has never been accomplished. Is the minister aware whether it has been at the instigation of the Department of the Environment that the National Film Board has refused to release the film?

Hon. John Roberts (Secretary of State): Mr. Speaker, I am afraid I cannot throw any light on this matter. I will undertake to discuss it with my colleague and report to the hon. member directly.

Mr. Jarvis: Mr. Speaker, I thank the minister for his answer. When he is conducting this inquiry will he determine whether it was at the request or insistence of the Department of External Affairs that release was not approved and if not, will he inquire at whose request this release has been suppressed?

Mr. Roberts: Mr. Speaker, I will draw that concern to the attention of the minister.

* * *

GOVERNMENT ADMINISTRATION

POLICY WITH REGARD TO MEMBERS OF PARLIAMENT SEEKING INFORMATION FROM DEPARTMENTS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the right hon. Prime Minister. Could the Prime Minister tell the House whether it is a policy of his government to require members of parliament wishing to obtain routine information from the civil service, to clear their calls through the minister's office before attempting to obtain such information?

Right Hon. P. E. Trudeau (Prime Minister): Not that I know of, Mr. Speaker. Ministers have authority in their own departments and they may convey information to departments but I do not know of any general rule.

POLICY OF MINISTER OF NATIONAL HEALTH AND WELFARE WITH REGARD TO MEMBERS SEEKING INFORMATION FROM DEPARTMENT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, may I put a question to the Minister of National Health and Welfare? Can the minister indicate whether it is his policy or whether he has issued a directive to his department forbidding information to be given to members of parliament before clearance with his office and if so, for what reasons?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have not issued any instruction not to provide hon. members with information, but I thought it could be a lot easier and quicker if I personally served as intermediary for providing information to hon. members and receiving theirs. The hon. members concerned would therefore be served a lot better and quicker.

* * *

SPORT

PARTICIPATION OF CANADA IN WORLD HOCKEY CHAMPIONSHIP AT VIENNA—REQUEST THAT MINISTER AID IN RECRUITMENT

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to direct a question to the Minister of State responsible for Fitness and Amateur Sport.

In view of the fact that Canada is to take part shortly in World Hockey Championship competitions in Vienna, that these competitions will take place during the Stanley Cup playoffs, which will make it difficult to obtain outstanding hockey players, and that Mr. Holmes, the new Team Canada director, stated during a press conference held last fall in Montreal that participation in this great international tournament could result in a loss of prestige for Canadian hockey, could the minister advise the House whether she is aware of the situation and, if so, whether she intends to take action to correct this situation, in order to foster the pride of Canadians because of their marked interest in international competitions?

[*English*]

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I am aware of this matter. However, I am Minister of Amateur Sport and this is a very professional undertaking but I shall try in an indirect way to have some of the representatives see that the prestige of Canada is upheld to the maximum degree.

* * *

PRIVILEGE

MR. OBERLE—GOVERNMENT'S RELEASING OF INFORMATION RESPECTING NATIONAL SECURITY

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, it is with great reluctance that I rise on a question of privilege

which affects not only the privileges and position of this House but is fundamentally important to the value every citizen places in our country, its system of government, the basic rights of individuals and their civil liberties.

Mr. Speaker, I and other members of the opposition in the House have for some time attempted in the House as well as by other means to encourage the government to provide us with information with regard to a most serious matter respecting national security.

In 1971, the then solicitor general reacted to information which had been accumulated and passed on to him by either the security service of the RCMP or a security agency functioning under his own authority. The solicitor general wrote a letter to a number of his senior cabinet colleagues and undertook to discuss with the Prime Minister (Mr. Trudeau) the allegations which had been made to him. He attached to his letter a list of names of individuals, some of whom were employees of the public service at the time, all of whom were accused of subversive activities directed against the government.

● (1500)

Contrary to what the Solicitor General (Mr. Fox) said in the House, the letter identifies these people as the new left and states that they seek to organize and radicalize the underclasses in our society and to mould them into a revolutionary force capable of overthrowing our present socio-political system.

Mr. Paproski: Stick around, Lalonde.

Mr. Speaker: Order, please. I am most anxious to allow the hon. member sufficient amplitude to develop at least the beginning of a question of privilege, but I am also anxious for the hon. member to restrict his disclosures to those facts which will support his case. I do not intend to interfere, but I invite the hon. member to come to the point and state the question of privilege.

Mr. Oberle: Mr. Speaker, this is the second occasion in my years of service in the House on which I have raised a question of privilege. This matter is of the gravest importance to all of this country. I will make my argument as short as I can.

A radical EPO program is referred to in the letter, and this organization is predicated on a total and unequivocal rejection of representative democracy, its destruction and the creation of radical alternatives. If true, this must be considered a most serious affront to our system. The Solicitor General, of course, had every justification to act as he did. Indeed, he rightly considered it his responsibility to mobilize our own security forces against such challenges. There are, however, further actions the government should have undertaken. First, and most important, the government should have ordered a complete and comprehensive inquiry into the affair.

Mr. Speaker: Order, please. I am not challenging the hon. member's right to discuss matters of importance or to criticize the government in the past or now. However, I want the hon. member to give some indication to the House of the basis upon which he is claiming that this is a matter of privilege and has priority over the other items of business to which the House would normally turn at this time.

Mr. Oberle: With respect, Mr. Speaker, I have laid the groundwork for a serious allegation and a serious question of privilege. If Your Honour and hon. members will bear with me for just a couple of minutes more I will get to the point. My question of privilege is this. Several of my colleagues have known, have tried to inform the government of this information, and have invited them to react. What constitutes the real question of privilege, of course, is the fact that despite the implications for the House of this matter, almost all the ministers connected with the list, as well as the Prime Minister, have denied knowledge of the affair. Having regard to the seriousness of the matter, which received the attention of the government at the time, I have good reason to assume that the Prime Minister and several ministers of the Crown have deliberately misled this House and the Canadian people.

An hon. Member: Prove it.

An hon. Member: Make a charge.

Mr. Lambert (Edmonton West): The hon. member has made the charge.

Mr. Oberle: Mr. Speaker, if you find that there is a prima facie case of privilege, I would move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the matter of the extraparliamentary opposition which is referred to in a document circulated by the Solicitor General to members of the government and the Prime Minister be referred to the Standing Committee on Privileges and Elections.

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I think that in rising on a question of privilege, the hon. member has instead abused the privileges of this House because he has taken advantage of this opportunity to read into the record of the House the documents he had in hand. As for us, we have taken all the necessary steps to prevent that kind of document, of a privileged nature and circulated between members of the cabinet, from being made public, precisely to protect the reputation of the people involved. The charges he makes do not contain any *prima facie* elements of a question of privilege. Anyway, what the opposition asked us point-blank to do yesterday was to comment on a document which was apparently written in 1971. We are expected to read that kind of document immediately, which is obviously impossible.

I submit, Mr. Speaker, that the hon. member's representations are much more in the nature of a debate. Their purpose seems to me to be much more that of raising passions, setting aside all restraint and giving all this matter a Machiavellian aura, while in fact it was simply a question of asking people to ensure that the security and confidentiality procedures within the government are enforced.

It was obviously, Mr. Speaker, the duty of the then solicitor general to bring this to the attention of his colleagues so that the loyalty of the servants of the state be held up in all respects to the requirements of the law.

Let me say in conclusion, Mr. Speaker, that the hon. member did not raise a question of privilege, but simply abused the privileges of the House to try and raise a debate which he would not have been able to raise otherwise.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I do not wish to take part in the debate on this question of privilege, but I wish to give notice that I am seeking to rise on a point of order related to the same general subject: I shall do so after you have ruled on the question of privilege.

Mr. Speaker: Order, please. The hon. member for Prince George-Peace River (Mr. Oberle) gave the Chair notice of his intention to raise a question of privilege. The notice is in the following terms:

> I wish to give you notice that at 3 p.m. this afternoon, January 26th, I will be raising a question of privilege with respect to the matter of an extraparliamentary opposition list which has been dealt with in the House since the resumption of parliament on January 24, 1977.

Indeed, the hon. member for Prince George-Peace River did raise, or propose a question of privilege related to that subject and proposed, if the Chair would find in his favour, that he would move, seconded by the hon. member for Central Nova (Mr. MacKay) that the matter of an extraparliamentary opposition which is referred to in a document circulated by the Solicitor General (Mr. Fox) to members of the government be referred to the Standing Committee on Privileges and Elections. I twice invited the hon. member to bring the matter within the confines of a question of privilege as we have defined it on many occasions in the past.

It ought to be remembered that questions of privilege have two important characteristics. In the first instance, they fall within a very narrowly-defined limit which has to do with the interference or prevention in some way of the ability of a member of the House of Commons from fulfilling his responsibilities, tantamount to a physical prevention of the hon. member from carrying out his responsibilities. It certainly has not been extended to include any sort of disagreement, interruption or argument; it has to be a deliberate prevention of the hon. member's ability to carry out his duties.

With respect to disagreements about answers given in the House, even misleading answers, there has long been a precedent established. Misleading answers, questions which seek to criticize those answers given, statements which even go to the extent of saying that the answers are misleading, that answers are contradictory as between one minister and another, or that the same minister has given conflicting or contradictory answers on different occasions, have all been held in the past to be matters of debate and not questions of privilege.

The second aspect of the question of privilege has often been referred to—misleadingly, I think— as having to do with a *prima facie* case. I think that language is somewhat misleading. It ought to be understood that that aspect of the question of privilege is such that the motion which is sought to be put forward by the hon. member ought to take precedence over every other order of business. The subject of this motion, or the subject of the hon. member's comments, could, of course, be put forward by him in a substantive motion. That motion would not have the priority of a question of privilege.

The Chair must decide whether, because the privileges of members of the House are touched or affected, or because what is known as the collective privileges of the House are adversely affected, the hon. member's motion ought to have priority over other business and ought to be put by the Chair in precedence to the order of the business of the House. In line with the very strict definition of privilege in the past, I cannot find that his motion should fall within that category, although his complaint or grievance falls within that category which I take to be a matter of disagreement.

There is one aspect of the matter which remains to be clarified, and it is this: in the course of his remarks, the hon. member did not simply refer to answers or performances by ministers which were misleading. Rather, he used the words "deliberately misleading". If that is the subject of calculated language on the part of the hon. member, he ought to form a substantive charge because it is a very serious allegation. However, in the circumstances, the details were not spelled out in respect of the hon. member's presentation at this time, and after reflection the hon. member may wish to pursue that point further. At the moment I must find that he has a grievance, or has raised a disagreement and grievance which does not constitute a question of privilege.

● (1510)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as I indicated a moment ago, I rise on a matter related to the same issue that has been under discussion, except that in this case it is a point of order that I wish to raise. Beauchesne, in his fourth edition, at page 134 states in citation 159(2) as follows:

> A minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he be prepared to lay it upon the table. This restraint is similar to the rule of evidence in courts of law, which prevent counsel from citing documents which have not been produced in evidence. The principle is so reasonable that it has not been contested; and when the objection has been made in time, it has been generally acquiesced in.

I submit that I am raising it at the first opportunity. We now have a rule that we do not raise points of order during the question period. I rose at three o'clock, at the same time as my friend, and I am up again now. May I also read the first sentence of 159(3):

> It has been admitted that a document which has been cited ought to be laid upon the table of the House, if it can be done without injury to the public interest.

I have read that sentence, not just because it is in line with the previous paragraph but because I want to make a reference in a moment to the phrase "without injury to the public interest". The Solicitor General (Mr. Fox) made reference two or three times to a letter which we assume to be a letter

written by the then solicitor general on June 15, 1971, which we understand was sent to five or six ministers of that day. The Solicitor General today has given a description of what was contained in the letter. I have to say that his summary of the letter does not conform with our understanding of what was in that letter, but he has used his description of it as part of the argument. In other words, he is citing that letter as part of this debate.

Mr. Goyer: Table it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the Minister of Supply and Services (Mr. Goyer) should know that one of the rules of this House is that private members cannot table documents.

Mr. Goyer: Give it to the press.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, this has developed into a serious issue. This House has the right to know what was in that letter; in particular, whether that the letter corresponds to the description of it given today by the present Solicitor General. The minister cited it. True, he did not pick it up and read from it; he did not quote from it. However, he has told us what is in the letter. It is part of the argument. I believe the minister ought to be required to table the letter.

I indicated that one of the qualifications is that this should be done without injury to the public interest. I believe it would injure the public interest to give publicity to any names of persons in that letter or in a page attached thereto. I believe it would do injury to the public interest to give publicity to the names of organizations that might be named in that letter. I submit, therefore, that names of persons and organizations contained in the letter should be blacked out, but that having cited this document the minister should be required by the rules of this House to lay it on the table of the House with the appropriate blacking out as I have suggested.

[*Translation*]

Mr. Fox: Mr. Speaker, first I am simply going to note the admission made by my learned colleague that I did not quote the letter in the House. This is the first point on which I wanted to draw Your Honour's attention.

Second, if you have examined the initial answer I gave this afternoon, I did not refer to any letter. In fact hon. members of the opposition mentioned a letter and a date throughout the debate. As far as I am concerned, I said that the then solicitor general had to advise and counsel the other members of the Privy Council on a situation which had been brought to his attention.

Moreover, let me point out that if the letter which hon. members are speaking about and which they seem to know does exist, it would be a letter between ministers of the Crown relating to a security subject which obviously should not be revealed in the public interest.

[Mr. Knowles (Winnipeg North Centre).]

[*English*]

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to speak to this matter for a moment. There is a precedent set by the former Speaker, the Hon. Lucien Lamoureux, with regard to a matter which I raised in this House. The Minister of Supply and Services (Mr. Goyer) will remember it very well as he was solicitor general at the time. It involved the murder case of Geoffroy who was released after being convicted of murdering his wife: he was released so that he could marry his girlfriend. During the course of that case, the minister quoted from letters of the girlfriend and from other people, even men of the cloth. The minister, having quoted and having paraphrased some of them, the Hon. Lucien Lamoureux ruled those letters had to be produced, and they were produced. I agree with the NDP that even worse than quoting from a letter is to paraphrase it and leave the wrong impression so that there could possibly be a misrepresentation.

Some hon. Members: Hear, hear!

Mr. Woolliams: In light of those facts, in light of the precedent I have mentioned, and other precedents well known to the House, I would ask that there be an order forthwith, in accordance with the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles), to block out parts of it if they are objectionable. Of course, there is something objectionable in the fact that they would have a list.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on the same point of order to provide the kind of evidence at this point that would support the contention of the hon. member for Winnipeg North Centre (Mr. Knowles) that the interpretation of the contents of the alleged letter given by the Solicitor General (Mr. Fox) departs in part very significantly from the kind of interpretation that those of us on this side who have read the letter would give to it. I say "in part significantly" because the minister left out a reference to what some of us consider to be a central concern of the letter; that is, its reference to extraparliamentary, radical leftist groups.

The minister made reference in his comments earlier in the House to the dissemination in an inappropriate way of government documents. I see the minister is nodding. The implication was that that was the exclusive concern of the government. I would like to read a short paragraph from the letter which leads to a very different interpretation. The letter that we have reason to believe is the one the minister is referring to contains the following, with certain names blocked out:

> The short-term political objectives of . . . group include the organizing and radicalizing of sympathetic civil servants in getting them to support its long-term political program of socialist revolution. These people are also involved in dissemination of government information to other radical groups across the country. For example, we have information to show that a member of . . . has passed on information from . . . to . . . who was a representative of . . . at the recent . . . conference.

The point I am making is that the letter makes very serious allegations about civil servants in the present employ of the government. It is not simply a matter of distributing a document which may or may not be a confidential one. The author of this letter goes well beyond that in his accusations about

people who are in no position to defend themselves because they do not know that this very serious allegation has been made about them.

● (1520)

Therefore, I support the point of order which was made by our House leader, that the letter referred to by the Solicitor General, exclusive of the names of individuals and organizations, be tabled because it is important for the House to know just what was being said about certain civil servants. Moreover, it is important that those civil servants should know at an early point that serious allegations of this kind were brought against them. A colleague of mine suggested earlier today that they be told on a confidential basis so that these allegations—and they are no more than that at this point—be made known to them and that their names not be smeared as would be the case if names were made public.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have listened to the submissions which have been made by various members who have spoken, and as I listened to what has been said and the precedents which have been cited—although the precedents are well-founded— I think it is not just a case where we can say that a letter like this, containing allegations which we have only partially heard in accordance with the record, should be tabled. I think it would be an injustice if that letter were not tabled in full, because failure to do that, failure to table the text of the letter in full—with the appropriate names blanked out, as suggested—would leave the impression that whatever allegations are contained therein might be more serious than they really are and, indeed, taking it in reverse, that the reputations of those public servants would be even more damaged than by the failure and the half-truths—I do not suggest this in the sense of misleading—by the "half of the case" now on the public record. At least half of the case, and perhaps more, is now on the public record; who knows?

I think it would be a travesty, an injustice, if the precedents were not followed to put the full case on the record so that the appropriate judgments might be made. I would be greatly surprised if there were any hesitation at all on the part of a law officer of the Crown who has some responsibility in terms of civil rights—not complete responsibility from the point of view of the government but at least some responsibility—in refusing to table that letter. I would think he ought to acquiesce and volunteer the letter to the House.

Mr. Oberle: Further to this point of order, Mr. Speaker, I would add that it would seem to me that the paragraph which was offered to the House by the leader of the New Democratic Party would indeed coincide with the document which I have in my possession. It makes a farce of the statement the Solicitor General has made about the sensitivity of this document and the precautions which were taken to keep the document secret. I have a copy of it, and so has the leader of the NDP. I do not know how many more people have copies of this document.

An hon. Member: How many did you make?

Mr. Oberle: I did not give a copy of the letter that I have to the leader of the NDP, and I do not know where he got it from. To get back to the earlier point of order and the question of privilege I raised, I would ask you, Mr. Speaker, to take under further advisement the fact that I cannot see that the House should continue sitting here talking about anything else but this particular matter, in light of the fact that ministers opposite have consistently and categorically denied the existence of this thing and that they have deliberately misled this House.

An hon. Member: In other words, they lied.

Mr. Speaker: Order. The hon. member earlier argued his question of privilege. I indicated to him that a charge of misleading the House, if it is to form a question of privilege, must surely have a particularization to it which would enable the Chair to recognize the specific nature of the matter before determining whether or not it should be referred to a committee. The general allegation made by the hon. member certainly does not bring it within the confines of a question of privilege, and that matter has now been decided.

In respect of the point of order, I am prepared to hear the rest of what the hon. member has to say, as well as the President of the Privy Council (Mr. MacEachen) who I think is also seeking to make a contribution to the discussion.

Mr. Oberle: Your Honour will recall that you interrupted me on several occasions when I tried to make my charge and my argument. I would at this point be prepared to read the letter in full, and I would then ask you to tell the House and the public of Canada whether these people, in their answers to our questions, not just yesterday and the day before, but on October 13, and in offices of high officials of this country, have deliberately misled and lied and denied this serious allegation.

Mr. Speaker: The hon. member should realize that if he has an argument to make with respect to the allegations he made earlier, he ought to have made it earlier. This is not the time, in my opinion, for the hon. member to present further argument in support of what was a suggested question of privilege. I have made a ruling on that matter and it is now decided.

There is a point of order before the House. It is not for the Chair to take responsibility for what hon. members want to introduce into argument. If the hon. member wants to read that document, or any other, with respect to an argument on a point of order, that is his choice, not the choice of the Chair. I have no control over the substance of arguments put on a point of order.

There is a difficult point of order before the House. Arguments have been made, and I am prepared to listen to any relevant arguments from either side before coming to a conclusion. The point of order is somewhat narrow in scope. It has to do with the obligation of a minister to table a document which he has cited in argument in the House. That precedent has

been clearly applied in circumstances in which a minister, during the course of debate, has made reference to a document to support his argument, that document not being in the possession of others who are arguing in the same debate.

The clear, common sense of the rule is that all participants in the debate ought to have the same advantage. On the other hand, precedents have equally indicated that this rule was never intended to imply that simply by putting a question to a minister during the question period about the existence of a document, and then having him get up and say that no such document exists, it is possible to insist upon the document being tabled on the ground that the minister had referred to it. However, the argument is still not concluded and I will hear further from hon. members.

Mr. Oberle: If the minister is, as seems obvious, not prepared to table the document at this point, I am certainly prepared to follow the responsible course outlined by the leader of the New Democratic Party by blanking out references to individuals and organizations named in the letter, and I should like to read into the record the letter I have in my possession which we believe to be the letter which caused all the controversy. It is a letter dated June 15, 1971, and it is under the letterhead of the Solicitor General of Canada. It reads:

My dear Colleague:

I have recently received a report containing information which the Security Service has accumulated about the concept of "Extra-Parliamentary Opposition" (EPO) as interpreted by advocates of the New Left in Canada. The report also draws attention to the activities of various persons and groups, some of them employees of the Federal Government, who support the EPO concept and who appear to have as their aim the destruction of the existing political and social structure in Canada.

The EPO concept, in the context of the New Left, does not mean legitimate pressure group activity but rather the creation of counter or parallel institutions within society but opposed to it and to the electoral process. Through such institutions the New Left seeks to organize and radicalize the "underclasses" of society and mould them into a revolutionary force capable of overthrowing the present socio-political system.

● (1530)

According to an article . . . which appeared in the November/December 1967 issue of . . . "people will not move against institutions of power until the legitimizing authority has been stripped away". The radical EPO program of the Left is, in short, a movement strategy predicated on a total and unequivocal rejection of representative democracy, its destruction and the creation of radical alternatives.

An integral part of this strategy is . . . in Toronto, which is under the control of two editorial members of—

And a certain institution.

They are attempting, through a program of workers' and community control, and in conjunction with organizations such as . . . in Montreal to implement the radical EPO program. . . . has, for example, penetrated and gained control of the Just Society—

As an interesting sideline, I suppose the Prime Minister (Mr. Trudeau) might be offended by this particular term.

—originally a legitimate citizens' group, and is utilizing this organization as a radicalizing agent among the poor as well as a stepping stone into other legitimate welfare agencies such as the Toronto Metropolitan Social Planning Council and the United Appeal. Through the Just Society . . . the recent Poor People's Conference, was able to turn this Conference into a sounding board for its radical EPO program and revolutionary propaganda. . . . has also been active in the sphere of industrial unions, such as the Reform Caucus of the Canadian Labour Congress, endeavouring to establish contacts who might be receptive to its concept of workers' control. There are indications that . . . through contacts in government, was able to ensure that it received a recent federal grant of $68,000.

[Mr. Speaker.]

Some hon. Members: Oh, oh!

Mr. Oberle: There is more interesting reading, if my colleagues will bear with me.

Of more concern, however, is the presence within certain government departments and agencies, particularly CMHC, of a small group of former campus revolutionaries. This group was led until recently by . . . of the Canadian Union of Students—

These names will soon all be public and then hon. members will know them; it will make for much more interesting reading.

This radical revolutionary has left the country but his disciples remain.

The short-term political objectives of . . . group include the organizing and radicalizing of sympathetic civil servants and getting them to support its long-term political program of socialist revolution. These people are also involved in dissemination of government information to other radical groups across the country. For example, we have information to show that a member of the Task Force on Youth has passed on information from the Task Force to a New Leftist, who was a representative of . . . at the recent Poor People's Conference.

Though a number of . . . group within the Public Service is small, probably not in excess of twenty-five, the picture presented is worrying, suggesting as it does a conscious attempt by various persons to use the knowledge and the influence gained by their employment with the Federal Government to further their own ends. For this reason, I have attached a list of those we suspect of being engaged in or sympathetic to EPO activity in one way or another, with the recommendation that steps be taken to ensure that these people have been fully briefed as to their responsibilities for ensuring the security of government information and that their activities be watched with more than normal care.

He then goes on to say: "I have sent this same letter to our colleagues Mr. Pelletier, Mr. Munro, Mr. Lang, Mr. Marchand, and I will be discussing this matter with the Prime Minister in due course".

This letter is addressed, Mr. Speaker, to the Hon. Robert Andras and is signed "Jean-Pierre Goyer, Solicitor General of Canada". I am at liberty, Mr. Speaker, to disclose that one name on this list is that of Walter Rudnicki, who was a senior policy planner with Central Mortgage and Housing at the time; and I am prepared to allege that this senior civil servant was fired for the reason of being on this list.

Mr. O'Connell: Mr. Speaker, I intended to speak—

Mr. Speaker: Is this on the same point of order?

Mr. O'Connell: Yes, Mr. Speaker, on a very narrow aspect of the point of order. Regardless of the fact that the main contents of the letter have now been made public, it seems to me that the point of order had to do with a request for an expurgated version of a letter, one with certain names omitted. An expurgated document, I suggest, is not a document within the meaning of the rules, either the scope or the intent of the rules or comments in Beauchesne. A document referred to or cited by a minister of the Crown, if it is required to be tabled, must be tabled as the document and not as a modified document. So I would suggest very briefly, Mr. Speaker, that

the point of order is not a valid point of order because it seeks a document which is not a document within the rules.

Mr. Speaker: Order, please. It may very well be, of course, that the point of order has now become entirely academic. I repeat that there is no rule of this chamber that I am aware of which in any way restricts argument on a point that is properly before the House in respect to the reading of the letter which the hon. member for Prince George-Peace River has just read, unless perhaps it offends one of the Standing Orders or in any way is irrelevant to the argument. Certainly, if the argument is over the tabling of a document and a member wishes to read into the record what he alleges to be the document in question, I can scarcely find that to be irrelevant to the question before the House.

However, the argument having concluded, it still remains for the Chair to determine whether or not the Solicitor General can, by the point of order, be compelled to table any document that is allegedly in his possession. Again I indicate that the precedents are of sufficient complexity, and in apparent disagreement on some points of argument, that I will have to examine them and perhaps endeavour to make a ruling on this question tomorrow.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I rise on a question of privilege. I should like to refer back, on my question of privilege, to a question and answer yesterday in the House when the hon. member for Prince George-Peace River (Mr. Oberle)—

Some hon. Members: Page?

Mr. Lang: Page 2340 of *Hansard*—asked me a question concerning a document which he said was identified as an extraparliamentary opposition list. I replied that I had never heard of or seen such a list. I must say that in his question the hon. member made no reference to any date. If he had, I might—

Some hon. Members: Oh, oh!

Mr. Lang: If he had, Mr. Speaker—

Mr. Speaker: Order, please. I am not aware of any definition of a question of privilege that would permit clarification of a question or an answer given on a previous occasion. There may be subsequent occasions to raise the matter, but I am not aware of any way in which it can be approached by way of a question of privilege.

Mr. Lang: Mr. Speaker, I am not attempting to clarify the answer by any means, if hon. members would allow me to come to the conclusion of my statement. The reason I am raising a question of privilege is in case, in the words used in the various submissions by hon. members, I misled the House by reference to this answer. I think there is a possibility that he may be suggesting that. If he is suggesting that, I would like him to say so clearly; but he might first hear what I would say to him on it, Mr. Speaker. As I said, if I had heard the date in that question I might have answered that I do not remember ever having seen or heard of such a list, but in fact—

• (1540)

Some hon. Members: Oh, oh!

Mr. Lang: —having now heard the letter to which the hon. member refers that does include a reference to the list that he is talking about, I can now say that I scarcely believe that I could have forgotten having seen such a letter at that time. I would still have to say, if he asked the question again, that I certainly cannot remember ever having seen such a letter or heard of it. Therefore, I think that clarification should be made known to him.

ROUTINE PROCEEDINGS

ANTI-INFLATION BOARD

TABLING OF REFERENCE ON CANADIAN LINEN SUPPLY

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would like to table a reference from the Anti-Inflation Board concerning Canadian linen supply.

* * *

RAILWAY ACT

REPEAL OF SECTION 272

Hon. Otto E. Lang (Minister of Transport) moved for leave to introduce Bill C-31, to amend the Railway Act.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 177, 178, 179, 180, 189, 192, 337, 338, 339, 359, 665, 825, 909, 944, 982, 1,016, 1,033, 1,034, 1,081, 1,148, 1,152, 1,155, 1,165, 1,185, 1,195, 1,210, 1,217, 1,218, 1,228, 1,261, 1,277, 1,295, 1,299, 1,332 and 1,365.

[*Text*]

FEDERAL AND PROVINCIAL TAX SAVINGS

Question No. 177—**Mr. Caccia:**

What was the (a) federal (b) provincial tax saving for each income group listed in Table 2 of the 1976 edition of Taxation Statistics for items (i) 28 (ii) 29

(iii) 30 (iv) 31 (v) 32 (vi) 33 (vii) 35 (viii) 36 (ix) 37 (x) 38 (xi) 39 (xii) 40 (xiii) 41 (xiv) 42 (xv) 43 (xvi) 44 (xvii) 45 (xviii) 46 (xix) 47 (xx) 48 (xxi) 49, taking into account the the applicable marginal tax rates?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): The information requested is not generated routinely in the regular processing of taxation data. To obtain this information would require special data processing the cost of which would be several thousands of dollars. Answering the question would thus be prohibitively expensive.

FEDERAL AND PROVINCIAL TAX SAVINGS

Question No. 178—**Mr. Caccia:**

What was the (a) federal (b) provincial tax saving for each income group listed in Table 2 of the 1976 edition of Taxation Statistics resulting from the exclusion of 50% of net capital gains from taxable income, taking into account the applicable marginal tax rates?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): The information requested is not generated routinely in the regular processing of taxation data. To obtain this information would require special data processing, the cost of which would be several thousands of dollars. Answering the question would thus be prohibitively expensive.

REDUCTION OF FEDERAL AND PROVINCIAL TAX PAYABLE

Question No. 179—**Mr. Caccia:**

What was the amount by which the (a) federal (b) provincial tax payable by each income group listed in Table 15 of the 1976 edition of Taxation Statistics would have been reduced if the old age pension income set out in the table had not been received, taking into account the applicable marginal tax rates?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): The information requested is not generated routinely in the regular processing of taxation data. To obtain this information would require special data processing, the cost of which would be several thousands of dollars. Answering the question would thus be prohibitively expensive.

REDUCTION OF FEDERAL AND PROVINCIAL TAX PAYABLE

Question No. 180—**Mr. Caccia:**

What was the amount by which the (a) federal (b) provincial tax payable by each income group listed in Table 15 of the 1976 edition of Taxation Statistics would have been reduced if the unemployment insurance benefits set out in the table had not been received, taking into account the applicable marginal tax rates?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): The information requested is not generated routinely in the regular processing of taxation data. To obtain this information would require special data processing, the cost of which would be several thousands of dollars. Answering the question would thus be prohibitively expensive.

[Mr. Caccia.]

CANADA STUDENT LOANS

Question No. 189—**Mr. Johnston:**

1. What is the total sum of loans since the inception of the student loan programme?

2. What is the sum of the loans written off as non-collectable?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): 1. To June 30, 1976, $935.6 million.

2. To June 30, 1976, $502,281 which includes $98,672 deleted on account of the death of the borrowers after a claim was paid under the guarantee provision of the legislation.

UIC—DIANE LAVICTOIRE

Question No. 192—**Mr. Cossitt:**

1. What is the complete employment history of positions held, along with appropriate dates, by Miss Diane Lavictoire, with the Unemployment Insurance Commission?

2. In what location is she now stationed and in what capacity?

3. What have been the total expenses, allowances or benefits, over and above salary, paid to her since joining UIC?

4. (a) How many trips has she made for UIC at public expense (b) was one of the trips to Pembroke, Ontario and, if so, for what purpose and did she accompany, or was she accompanied by, Mr. Chris Patterson, Senior Operations Officer?

5. What is the total number of trips she took at the instruction of Mr. Patterson and on how many was she either accompanied by him or did she accompany him?

6. (a) What are the names and positions of all persons who have at any time authorized any of her expenses (b) were any authorized by Mr. Patterson and, if so, how many?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned—1. Manuals Writer, Head Office, 19.06.72-1.06.73; Editor, Head Office 1.06.73-19.10.73; Assistant Chief, Administrative Services, Ottawa District Office, 19.10.73-1.12.73; Chief, Administrative Services, Metro Toronto, 1.01.74-1.05.74; Chief, Administrative Services, Willowdale District Office, 1.05.74-22.09.75; Chief, Administrative Services, High Park District Office, 22.09.75-26.04.76; Chief, Administrative Services, Toronto West District Office, 26.04.76-Present.

2. Chief, Administrative Services, Toronto West District Office.

3. $2,665.03.

4. (a) Twenty-five; (b) Yes. As a member of a project team, she assisted in setting up a new district office in Pembroke. No. Mr. Patterson was in Pembroke as leader of the project team.

5. Nine. None.

6. (a) Assistant Manager, Regional Pay Centre, Regional Advisor Finance, Regional Comptroller, Regional Manager of Operations, District Manager, Willowdale, centralization Project Planner; (b) No.

LEASES SIGNED BY NON-TENANTS, BENNY FARM, MONTREAL, QUEBEC

Question No. 337—**Mr. Herbert:**

1. How many leases, at the Montreal West Island Benny Farm Housing Project for Second World War and Korean War veterans, are signed with tenants who are not veterans and in what years will the leases expire?

2. Are there any renewal option clauses in the leases and, if so, what are the conditions?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. As at September 30, 1976, 124 leases at the Benny Farm housing project were signed by non-veterans. These leases are on a month-to-month basis.

2. Under provincial legislation, a tenant may cancel with two months' notice; otherwise, the lease renews itself. The owner cannot prevent renewal except for cause.

APPLICATIONS FROM VETERANS, BENNY FARM, MONTREAL, QUEBEC

Question No. 338—**Mr. Herbert:**

1. In each of the past five years, how many applicants for an apartment were received from veterans at the Montreal West Island Benny Farm Housing Project for Second World War and Korean War veterans?

2. How many veterans are presently on a waiting list for an apartment?

Mr. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation, as follows: 1. Applications for apartments in the Benny Farm housing project, received from veterans over the past five years, are as follows: 1972, 24; 1973, 37; 1974, 74; 1975, 66; 1976, January-September 75.

2. As at September 30, 1976, there were 318 applications from veterans on the waiting list.

VETERAN AND NON-VETERAN TENANTS, BENNY FARM, MONTREAL, QUEBEC

Question No. 339—**Mr. Herbert:**

1. How many current leases have been signed by (a) veterans (b) civilians at the Montreal West Island Benny Farm Housing Project for Second World War and Korean War veterans?

2. How many apartments are in the project?

3. Do any vacancies exist and, if so, how many?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation, as follows: 1. Current leases at the Benny Farm Housing Project have been signed by (a) 259 veterans of the Second World War; (b) 124 non-veterans.

2. There are 384 apartment units in the project, one of which is used as the rental office.

3. As at September 30, 1976, there were two vacancies which have since been rented to veterans.

VETERAN TENANTS, BENNY FARM, MONTREAL, QUEBEC

Question No. 359—**Mr. MacKay:**

1. What is the name, regimental and service number of each tenant presently residing at Benny Farm Veterans Apartments and on what date did their tenancy commence?

2. Does a system of priorities exist whereby only veterans can be eligible for tenancy at Benny Farm?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation, as follows: 1. The years in which tenants at Benny Farm Housing Project, Montreal, took occupancy, are summarized in the following table:

Year	Veterans	Non-Veterans	Total	Year	Veterans	Non-Veterans	Total
1947	1	0	1	1963	9	9	18
1950	1	0	1	1964	6	5	11
1951	5	0	5	1965	9	10	19
1952	2	0	2	1966	12	13	25
1953	5	0	5	1967	6	10	16
1954	4	0	4	1968	16	13	29
1955	2	0	2	1969	13	6	19
1956	6	0	6	1970	12	19	31
1957	6	2	8	1971	9	9	18
1958	8	2	10	1972	21	13	34
1959	11	3	14	1973	23	0	23
1960	6	2	8	1974	24	0	24
1961	10	5	15	1975	12	0	12
1962	10	3	13	1976	10	0	10
					259	124	383

Information on the personal circumstances of tenants are considered to be matters to be held in confidence between landlord and tenant.

2. Veterans have always been given priority for tenancy at Benny Farm Housing Project. To avoid unnecessary vacancy loss, vacant units have been allocated, from time to time, to non-veteran applicants when there are no veteran applicants available.

PUBLIC SERVICE EMPLOYEES

Question No. 665—Mr. Lachance:

Between the date of the presentation of the last budget May 25, 1976 and October 12, 1976, did the Department of Energy, Mines and Resources, Atomic Energy Control Board, Eldorado Nuclear Limited, Atomic Energy of Canada Limited, National Energy Board, Energy Supplier Allocation Board and Uranium Canada Limited hire, dismiss or transfer employees to other departments and, if so, how many?

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources):

	Hired	Dismissed	Transferred
Department of Energy, Mines and Resources	234	2	33
Atomic Energy Control Board	16	—	—
Eldorado Nuclear Limited	1	—	—
Atomic Energy of Canada Limited	186	1	6
National Energy Board	22	5	7
Energy Supplies Allocation Board	—	—	42
Uranium Canada Limited	—	—	—

RESEARCH—PROCESSING OF FRESHWATER ROUGH FISH

Question No. 825—Mr. Yewchuk:

What funds were expended by the Department of the Environment on research into means of processing freshwater rough fish into palatable human food in (a) 1970 (b) 1971 (c) 1972 (d) 1973 (e) 1974 (f) 1975 and what were the results of such research?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): 1970, $8,500; 1971, $13,000; 1972, $15,000; 1973, $19,000; 1974, $15,000; 1975, $20,000. Chronological summary of research activities in processing under-utilized species of freshwater fish. 1970: A simple oil-fired dryer designed and tested to process dried fish from under-utilized species as a relatively stable animal food supplement in remote fishing areas of central Canada. 1971/1972: Development of formulated battered and breaded products and processing system on behalf of the Freshwater Fish Marketing Corporation using mullet as the primary nutritional base. The nutritional base diluted with the flesh of other species without affecting textural or flavour characteristics of finished product. Storage study undertaken to evaluate the frozen stability of the product manufactured from flesh of different initial freshnesses. Resulting products market tested with satisfactory results and pilot plant production commenced. Project terminated towards the end of 1972. 1972: Development of a formulated battered product on behalf of a southwestern Ontario processor using the minced flesh of two under-utilized Great Lakes species as the nutritional base. Product marketed commercially. 1972/1973: As a result of industry requests, continued work was undertaken to develop a processing system and specifications to produce a sardine type product from Great Lakes alewife. This project progressed to the stage of U.S. market testing and label design. A rapid system of thawing blocks of minced frozen mullet to minimize quality deterioration was developed on behalf on the F.F.M. Corporation. A batch system was designed, based on the recirculation of water at a high relative initial temperature and carried through to the pilot plant stage. To improve quality maintenance of freshwater fish at production points, a portable insulated fish holding room suitable for transportation by light aircraft was designed. Developed for use in short duration fishing operations in isolated areas, for chilling and holding fish in cool storage prior to shipment to processing centres. There are several units currently in use in the fishery. An investigation into the use of polyphosphate to control thaw-drip in frozen and thawed blocks of minced mullet was undertaken on behalf of the Freshwater Fish Marketing Corporation. The result of this work is being applied in their flesh separating processing operations. 1974: Several canned fish products developed at the request of the Freshwater Fish Marketing Corporation and other segments of the inland fish processing industry including: northern pike fish balls in sauce; chowders, using northern pike, whitefish and burbot as the nutritional bases; smoked carp fillets in oil; smoked tullibee fillets in oil; tullibee fillets in various sauces. 1974/1975: Further work undertaken to develop an improved battered and breaded formulated product from minced mullet including a redesigned processing system. Product market tested at the institutional level in cooperation with the Manitoba Department of Industry and Commerce. Product redesigned to meet institutional requirements as a result of this testing with satisfactory results. The products processing system demonstrated at the pilot plant level at the Freshwater Fish Marketing Corporation processing plant. Report submitted to the Freshwater Fish Marketing Corporation included; product formulation, processing specifications, equipment requirements and estimated costs, staffing requirements and quality control requisites. 1975: An investigation of the frozen storage stability of minced mullet blocks with and without added stabilizers. Recommended stabilizers being applied by the Freshwater Fish Marketing Corporation. 1975/1976: Cooperative project undertaken between western region, Fisheries and Marine Industry Services, Manitoba department of transportation and Manitoba department of industry and commerce to proceed

and market institutionally, individually frozen burbot fillet portions. Pilot plant processing and marketing scheduled to commence in September, 1976. At the request of the Freshwater Fish Marketing Corporation a canned product was developed using minced sucker as the nutritional base. Several formulations were prepared and batches submitted to the Freshwater Fish Marketing Corporation for market testing. Product processing specifications are being finalized. At the request of the Freshwater Fish Marketing Corporation an evaluation of the potential of split-salted and dried mullet was undertaken. Tentative results indicate that the product would not have the shelf stable characteristics of salted and dried Atlantic white-fishes. Final storage tests currently are underway. Current investigations are being undertaken to evaluate the potential of processed mullet ovaries. This work includes caviar processing and the manufacture of "Rorasumi", a high valued Asian product consisting of salted and dried fish ovaries.

DREE—APPLICATIONS FOR ASSISTANCE

Question No. 909—**Mr. Howie:**

What was the total number of applications for DREE assistance from other than government or Crown agencies being considered by the Department on November 1, 1976 and, of this number, how many were (a) three months old (b) six months old?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: On November 1, 1976, 312 applications for incentives under the Regional Development Incentives Act were being considered. (a) 120 applications were at least three months old. (b) 49 applications were at least six months old. Most of these applications were outstanding due to the fact that all the data and information requested from the applicant to permit the completion of evaluation had not been submitted, and/or information required from other governmental agencies had not been received.

GENERAL DEVELOPMENT AGREEMENT, NEW BRUNSWICK

Question No. 944—**Mr. Howie:**

1. What is the status of Manpower training programmes under the General Development Agreement between the government and New Brunswick with respect to workers in northern New Brunswick?

2. When will the programmes start?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 1. The General Development Agreement between Canada and New Brunswick is an enabling agreement setting forth objectives and a strategy for the development of the provincial economy. Specific action programs are provided through subsidiary agreements under the authority of the General Development Agreement. Manpower training programs are provided to workers in northern New Brunswick by the Department of Manpower and Immigration. Where appropriate, these are co-ordinated with DREE-provincial initiatives. Assistance for the provision of special training is incorporated in two DREE-New Brunswick subsidiary agreements covering the forestry and tourism sectors. These are available to workers in northern New Brunswick.

2. These special training arrangements are in effect.

PRISONERS OF CONSCIENCE—USSR

Question No. 982—**Mr. Epp:**

Did the Secretary of State for External Affairs state in the House of Commons on November 4, 1976, in reply to a question that representations for the release of prisoners of conscience were made to USSR officials and, if so, what were the names of the prisoners of conscience submitted by the Secretary of State for External Affairs to USSR officials?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): The representations to the Soviet Government, referred to by the SSEA in reply to a question on November 4, concerned lists of unresolved family re-unification cases that are submitted to Soviet authorities periodically by the Canadian Government. These cases involve persons in the USSR wishing to be reunited with their close relatives in Canada. Names of prisoners of conscience are not included on these lists.

EXCISE TAX ACT—EXEMPTIONS IN SCHEDULE III

Question No. 1,016—**Mr. Howie:**

Is any review of unconditional exemptions contained in Schedule III of the Excise Tax Act and conditional exemptions based upon end use, in the same Act, under way or contemplated in the near future and, if so, what if any, is the target date for reporting?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): A Discussion Paper on Federal Sales and Excise Taxation was tabled as part of the Budget of June 1965. This paper initiated a review of the commodity tax system and provided an opportunity for interested parties to submit briefs. At the present time, analytical work related to several alternatives to the present manufacturer's tax is continuing. An analysis of unconditional exemptions and conditional exemptions based on end use is an integral part of the review exercise. Although no target date has been set, it is anticipated that the government will announce its position concerning the results of the review prior to the end of the current session of Parliament.

DEFENCE PRODUCTION REVOLVING FUND, 1975—OVERPAYMENT

Question No. 1,033—**Mr. Bawden:**

Was there an overpayment of $8,929,883 from the Defence Production Revolving Fund in the 1975 fiscal year and, if so (a) what are the names of the parties who received overpayments (b) what was the amount of each (c) what was the purpose?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The amount $8,929,883 as shown in Note 3 of the March 31, 1976 Financial Statement does not represent overpayments

made by the Defence Production Revolving Fund. Note 1(b) Accounting Policies in the Notes to Financial Statement as at March 31, 1976 states the practice on Progress Payments to Suppliers. Note 3 to the Financial Statements summarizes the position at balance sheet date and provides comparative figures for the prior year "Reference, Public Accounts of Canada 1976, Volume II, Section 25, pages 25:13 and 25:14."

DEFENCE PRODUCTION REVOLVING FUND, 1976—OVERPAYMENT

Question No. 1,034—**Mr. Bawden:**

Was there an overpayment of $11,196,046 from the Defence Production Revolving Fund in the 1976 fiscal year and, if so (a) what are the names of the parties who received overpayments (b) what was the amount of each (c) what was the purpose?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The amount $11,196,046 as shown in Note 3 of the March 31, 1976 Financial Statement does not represent overpayments made by the Defence Production Revolving Fund. Note 1(b) Accounting Policies in the Notes to Financial Statement as at March 31, 1976 states the practice on Progress Payments to Suppliers. Note 3 to the Financial Statements summarizes the position at balance sheet date "Reference, Public Accounts of Canada 1976, Volume II, section 25, pages 25:13 and 25:14."

DREE—AGREEMENTS WITH GOVERNMENT OF QUEBEC

Question No. 1,081—**Mr. Lambert (Bellechasse):**

1. During the fiscal year (a) 1973-74 (b) 1974-75 (c) 1975-76, did the Department of Regional Economic Expansion enter into agreements with the Government of Quebec and, if so, what were the agreements and what was the total amount?

2. Were the projects provided for in the agreements carried out and, if so (a) which ones (b) in which constituencies (c) did the Department ensure that they were carried out according to the terms of the agreement and, if not, for what reason?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): 1. (a)(i) General Development Agreement (1974-1984); (ii) Subsidiary Agreement on the Financing of the SIDBEC Expansion Plan (1974-1978), $30 million; (b)(i) Subsidiary Agreement on Key Highway Networks (1974-1979), $26,565,000; (ii) Subsidiary Agreement on Industrial Infrastructure (1974-1978), $36 million; (iii) Subsidiary Agreement on Access to Forest Resources (1974-1978), $14,520,000; (c)(i) Subsidiary Agreement on Agricultural Development (1975-1979), $24,960,000; (ii) Subsidiary Agreement on Mineral Development (1975-1979), $17,160,000; (iii) Subsidiary Agreement on Industrial Studies (1976-1978), $1 million; (iv) Amendment to Subsidiary Agreement on Key Highway Networks to include two new projects, additional contribution of $53,940,000.

2. All the projects provided for in these subsidiary agreements are currently being carried out. (Data for October 31, 1976). 1973-74: SIDBEC Subsidiary Agreement: (a) 83 percent of the amount provided for has been spent. (b) Constituency of Chambly. (c) Yes. Administration of the projects under the federal-provincial agreements is ensured by a Management Committee comprising an equal number of federal and provincial representatives. This committee is responsible to the Development Committee of the General Development Agreement, which also comprises an equal number of federal and provincial representatives, for the smooth operation of the various projects provided for in the agreement. 1974-75: Subsidiary Agreement on Key Highway Networks: (a) 32 per cent of the amount provided for has been spent. (b) Constituencies of Chambly, Compton, Drummond, Louis-Hébert, Manicouagan, Portneuf, Richelieu, Richmond and Sherbrooke. (c) Same as 2(c) 1973-74. Subsidiary Agreement on Industrial Infrastructure: (a) 27 per cent of the amount provided for has been spent. (b) Constituencies of Bonaventure/Magdalen Islands, Charlevoix, Chicoutimi, Drummond, Gaspé, Lapointe, Lévis, Lotbinière, Manicouagan, Matane, Rimouski, Rivière-du-Loup/Témiscouata, Témiscamingue and Villeneuve. (c) Same as 2(c) 1973-74. Subsidiary Agreement on Access to Forest Resources: (a) 39 per cent of the amount provided for has been spent. (b) Constituencies of Abitibi, Charlevoix, Lac Saint-Jean, Manicouagan, Témiscamingue and Villeneuve. (c) Same as 2(c) 1973-74. 1975-76: Subsidiary Agreement on Agricultural Development: (a) 19 per cent of the amount provided for has been spent. (b) With regard to land reclamation, all the projects are to be carried out in the federal constituencies in the Montreal Plain. With regard to land use adjustment, the projects will be carried out primarily in the regions of eastern Quebec, northwestern Quebec, Saguenay/Lac Saint-Jean, Quebec City and la Beauce. (c) Same as 2(c) 1973-74. Subsidiary Agreement on Mineral Development: (a) 14 per cent of the amount provided for has been spent. (b) The projects are to be carried out primarily in the constituencies covered by the administrative regions of northwestern Quebec, Saguenay/Lac Saint-Jean and eastern Quebec. (c) Same as 2(c) 1973-74. Subsidiary Agreement on Industrial Studies: (a) 35 per cent of the amount provided for has been spent. (b) Not applicable (c) Same as 2(c) 1973-74.

[Mr. Goyer.]

ARDA—EMPLOYMENT OPPORTUNITIES

Question No. 1,148—**Mr. Corbin:**

1. Is there a financial aid programme still under ARDA to provide better employment opportunities in low-income rural areas in (a) New Brunswick (b) Prince Edward Island (c) Newfoundland (d) Nova Scotia and, if so, what amount was granted in the past five fiscal years?

2. What is the name and address of each recipient in New Brunswick and what was the amount granted?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 1. (a) No. (b) No. (c) Yes. Since the implementation of the ARDA III Incentives to Rural Industries Program in January of 1974, a total of $1,348,000 has been granted. (d) No.

2. Not applicable.

BRUCELLOSIS PROGRAMME

Question No. 1,152—Mr. Nystrom:

Was any money paid under the brucellosis programme on cattle, held as security by the Provincial Treasurer of Alberta on a guarantee loan of $300,000, to St. Paul Livestock Auction Mart Ltd., under the Alberta Department of Agriculture, Alberta Export Agency Guarantee Loan Regulation 1973, File Number F 058 and, if so (a) how much (b) to whom (c) on what date (d) who was the examining veterinarian (e) how many cattle, if any, were involved and what type?

Hon. E. F. Whelan (Minister of Agriculture): Agriculture Canada is unable to identify the cattle held as security from its record and, therefore, is not in a position to provide an answer.

FAMILY REUNIFICATION, USSR

Question No. 1,155—Mr. Beatty:

In the 12 months immediately (a) prior to (b) following the signing of the Helsinki Agreement by the Soviet Union, how many of its citizens were re-united in Canada with relatives living in Canada?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): (a) 243; (b) 255.

NEW BANK OF CANADA BUILDING

Question No. 1,165—Mr. Lambert (Bellechasse):

1. What was the estimated cost of the construction of the Bank of Canada Building at the corner of Bank and Wellington Streets in Ottawa, and by which companies has the work been carried out to date?

2. Was there a call for tenders and, if so, what is the name and address of the head offices of the companies that tendered?

3. As of October 31, 1976, what was the cost of construction?

4. Did the government expropriate land for the Building and (a) if so, what amount was involved (b) if not (i) what was the cost (ii) who owned the land and buildings?

5. What is the estimated cost for furniture and equipment necessary for the operation of the Building?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): See reply to Question No. 3,229 answered January 26, 1976.

LOAN AGREEMENT BETWEEN CANADA AND BARBADOS

Question No. 1,185—Mr. Stevens:

What are the terms of the loan agreement between Canada and Barbados negotiated by the Canadian International Development Agency with respect to the Seawell Airport Development Project (CIDA Project File No. 176/00081)?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): The terms of the loan agreement between Canada and Barbados (CIDA Project File No. 176/00081) are as follows: 1. Canada shall make available to Barbados a loan in an amount not to exceed $10 million (Canadian).

2. Barbados will pay interest at the rate of three per cent per annum on the amount of the loan drawn by Barbados and outstanding.

3. Repayment of the principal amount of the loan drawn by Barbados shall be made in 46 semi-annual installments of $217,391.31 each, due and payable on the last day of March and of September in each year commencing September 30, 1980 and ending on March 31, 2003.

4. Interest payments shall be made in semi-annual installments due and payable on March 31st and September 30th in each year commencing from the first withdrawal of principal.

5. All payments and repayments shall be applied first to the payment of any accrued interest and then to the repayment of the principal amount.

6. Barbados shall have the right to repay principal, in whole or in part, on any date without notice to Canada. The amount of any such prepayment shall be applied first to the payment of any accrued interest and then to the installments of principal then remaining payable in the reverse order of their maturity.

7. All payments and repayments as set forth shall be made by Barbados in Canadian dollars to the Receiver General of Canada, and shall be deemed to have been paid when received by the Receiver General of Canada.

8. The principal of, and all interest on, the loan shall be paid without any deductions whatsoever and more particularly shall be free from any taxes, charges or other restrictions imposed under the laws of Barbados and those in effect in its territories or administrative, political or judicial divisions or subdivisions.

9. Barbados agrees that it will negotiate, at the request of Canada, concerning acceleration of payments to the Receiver General of Canada to be made under this agreement at any time after six (6) months before the first payment becomes due and payable. On the basis of Barbados ability to service a more rapid liquidation of its obligations, Barbados and Canada shall mutually determine whether such an acceleration should take place in the light of Barbados internal financial and economic position.

10. Withdrawals shall be deemed to occur on the dates on which payments are made by Canada either directly to Barbados or its designated agent, or to a firm or a banking institution in respect of goods or services supplied for the project.

11. Barbados or its designated agent shall furnish or cause to be furnished to Canada such documents and other evidence in support of its applications for withdrawal as Canada may reasonably request, such evidence to be sufficient in form and substance to establish that the amounts to be withdrawn are properly related to the purposes of the project.

CULTURAL PROPERTY EXPORT AND IMPORT ACT

Question No. 1,195—Mr. Fairweather:

Has the Cultural Property Export and Import Act been proclaimed and, if not, will it be before December 31, 1976, so that taxpayers can take advantage of its provisions during the current taxation year?

Hon. John Roberts (Secretary of State): No. The Canadian Cultural Property Export and Import Act was not proclaimed during the 1976 taxation year. When the Act is proclaimed this year, Canadian taxpayers will be able to take advantage of

this year, Canadian taxpayers will be able to take advantage of the tax provisions available under the Act for the 1977 taxation year.

POST OFFICE DEPARTMENT—RENTED SPACE, BATHURST, N.B.

Question No. 1,210—**Mr. Howie:**

Is any space at Bathurst, New Brunswick, rented by the Post Office Department and, if so (a) from whom (b) how long has it been rented (c) what amount is paid in rent?

Hon. Judd Buchanan (Minister of Public Works): No, however space is rented by the Department of Public Works for the Post Office Department.

(a) Lessor	(b) Length of time rented	(c) Amount of Rent
Mr. Alfred Audet	from November 1, 1976	$9,534.00 per annum
Fundy Line Motels Ltd.	from November 1, 1976	$37,000.08 per annum

STUDIES INTO REGIONAL WAGE POLICIES

Question No. 1,217—**Mr. Howie:**

Are any studies underway or authorized by any department, agency or consultant, into regional wage policies to ensure equal pay for equal production across the nation and, if so, which departments, agencies or firms are conducting such studies?

Hon. John C. Munro (Minister of Labour): The Rights in Employment Branch of Labour Canada completed in June 1976, a discussion paper entitled "A Preliminary Study on the Principle of Equal Remuneration for Work of Equal Value". This paper suggests that, within an establishment, this concept is a viable one. The paper rejects the feasibility of the application of this principle on a national or regional basis.

EGG PRODUCTION—NEW BRUNSWICK

Question No. 1,218—**Mr. Howie:**

1. What percentage of the national quota for egg production is allocated to New Brunswick?

2. Does New Brunswick produce enough eggs to satisfy the New Brunswick market and, if not, is an increase in the quota allotted to New Brunswick being considered?

Hon. E. F. Whelan (Minister of Agriculture): 1. New Brunswick share is 1.976 per cent of the national quota.

2. No. Provincial shares are based upon Section 24 of the Farm Products Marketing Agencies Act and not on the principle of provincial self-sufficiency.

[Mr. Roberts.]

BANK OF CANADA—FOREIGN CURRENCY

Question No. 1,228—**Mr. Wenman:**

How much foreign currency has the Bank of Canada sold in order to obtain Canadian currency since November 15, 1976?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): The Government does not consider it to be the public interest to release data on foreign currency purchases or sales made in connection with official intervention. Month-end figures on total holdings of U.S. dollars and of other foreign currencies, including those held by the Exchange Fund Account, the Bank of Canada, and the Receiver General, are released as part of Canada's official international reserves on the second business day of the following month. Corresponding daily figures are released with a one-year lag at the time the Annual Report on the Operations of the Exchange Fund Account is tabled in the House.

SALE OF CF-5 AIRCRAFT

Question No. 1,261—**Mr. Leggatt:**

1. What amounts were paid by way of agency fees or sales commissions in the sale of the CF-5 aircraft to (a) the Netherlands in 1966 (b) Venezuala in 1971?

2. (a) To whom were the amounts paid (b) what was the nature of the service performed in each case (c) were properly audited invoices presented in respect to such services in each case?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. (a) None. (b) The Canadian Commercial Corporation awarded a number of contracts to Canadair Limited, Montreal, Quebec, in order to fulfill the Canadian Government's obligations to Venezuela for the production and delivery of CF-5 type aircraft. One of these contracts, inter alia included an amount of $500,000 to cover the company's direct marketing expenses. These expenses were allowable costs and in conformance with CCC operating policy dated April 4, 1966.

2. (a) Netherlands—Not applicable. Venezuela—The $500,000 amount referred to in 1(b) above was paid to Canadair for marketing services rendered by Dismatica Industrial C.A. Apartado Corresdel Este 4126 Caracas, Venezuela, in accordance with an agreement between them dated 29 December 1970 as amended in May 1971. (b) Netherlands—Not applicable. Venezuela—The services performed by Dismatica for Canadair were of the following nature: development of the market for the CF-5 in Venezuela; determining the suitability of the aircraft being offered and/or changes needed to make it compatible with customer needs; arranging for, and participating in, technical briefings in Venezuela and Canada including flight demonstration and logistics discussions; providing assistance and guidance during contract negotiations. (c) Netherlands—Not applicable. Venezuela—Yes.

USE OF PESTICIDES CHLORDANE AND HYPTACHLOR IN CANADA

Question No. 1,277—**Mr. Nystrom:**

1. Are the pesticides chlordane and heptachlor used in Canada and, if so, in each case, what (a) is its function (b) regulations exist governing its use?

2. Is the pesticide leptophos found in Canada?

3. Is leptophos used in Canada and, if so, what is its function?

4. Are there any chemical plants in Canada which manufacture leptophos?

5. If leptophos is used in Canada and/or manufactured in Canada, what regulations exist governing its use?

Hon. E. F. Whelan (Minister of Agriculture): 1. Yes. (a) Chlordane is used to control soil insects in strawberries, vegetables, turf and ornamentals, foliar insects on ornamentals, and crawling and flying insects in and around dwellings and non-food industrial plants. Heptachlor is used to control narcissus bulb fly on bulbs. Use is allowed by permit only. (b) Regulations under Pest Control Products Act.

2. Yes.

3. Yes. Leptophos is used in Canada primarily for cutworm control in tobacco. There is also some use for cutworm control on vegetable, cereal and oilseed crop seedlings and for certain foliar insects on potato, cabbage and sugar-beets.

4. Leptophos is not manufactured in Canada, but is formulated from technical material imported from the U.S.

5. Regulations under Pest Control Products Act.

GOVERNMENT POLICY—HIRING OF TAXIS TO DELIVER LETTERS

Question No. 1,295—**Mr. Masniuk:**

Does the government hire taxis to deliver letters and other first-class mail in the National Capital Region and, if so (a) how often (b) what is the estimated cost per year?

Hon. Robert K. Andras (President of Treasury Board): Letters are normally mailed through the Post Office. Hand deliveries, when made, are normally carried by messengers. Treasury Board has not issued a directive on what transportation method should be used. Each department decides therefore on the most cost-beneficial method. Costs are not readily available.

AID TO PENSIONERS BY THE HALIFAX RELIEF COMMISSION

Question No. 1,299—**Mr. McCleave:**

By year since 1956, what was the number of pensioners helped by the Halifax Relief Commission in connection with their injuries from the Halifax Explosion and, in each case, what was the (a) total amount paid to such pensioners (b) amount or total of assets available for the fund?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance):

Year	Number of Pensioners: General and Eye Disability Pensioners	Number of Pensioners: Widows and Dependents	Amount Paid	Amount Available
1956	126	50	$ 81,701.54	$1,082,628.50
1957	125	45	$ 82,393.40	$1,039,973.80
1958	121	42	84,835.60	1,041,713.84
1959	118	35	87,055.90	1,144,693.98
1960	116	29	82,705.20	1,098,536.20
1961	113	28	82,020.60	1,066,188.27
1962	111	28	76,711.00	955,000.00
1963	106	24	76,308.40	878,000.00
1964	102	20	76,371.05	894,000.00
1965	100	19	79,031.60	913,000.00
1966	99	18	77,387.60	885,000.00
1967	95	18	77,232.60	836,000.00
1968	92	16	101,990.00	1,155,954.00
1969	85	14	96,690.00	1,085,712.00
1970	83	11	91,215.00	1,033,376.00
1971	81	10	89,050.00	949,447.00
1972	78	8	82,250.00	913,594.00
1973	70	6	89,995.00	827,032.00
1974	66	6	103,094.76	1,032,940.00
1975	64	6	110,810.08	1,021,910.00
1976*	55	6	111,091.88	1,126,950.00

* After June 1, 1976, these pensions were paid through the Canadian Pension Commission.

ARGUS LRPA REPLACEMENT

Question No. 1,332—**Mr. Forrestall:**

In regard to the Argus LRPA replacement contract, what firms in each province in Atlantic Canada will receive government contracts and what are the jobs and amounts estimated to be involved?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The CP-140 Acquisition Contract between the Canadian Government and the Lockheed Aircraft Corporation incorporates "Industrial Benefits" provisions for $932.6M of work to be placed with Canadian industry during the period 1975-1995. Consequently, benefits resulting from the CP-140 will in large measure be as a result of sub-contracts from Lockheed or certain of their major U.S. suppliers and not Government contracts per se. While Lockheed is urged to allocate this work, wherever practicable, in such a manner as to ensure all regions of Canada benefit to the greatest extent possible, it is under no obligation to do so. However, Lockheed has demonstrated utmost co-operation in this regard to date and as a result orders of significant value have already been placed with two firms in the Maritime Region. These orders are with Enheat, Amherst (current value of $2.0M with a total potential value of $11.0M) and IMP, Dartmouth (current value of $0.5M with a total potential value of $2.5M). There is every reason to believe that numerous additional orders will be placed by Lockheed in the Atlantic provinces as the program continues to develop.

NEW BRUNSWICK COUNTY COURT VACANCY AND APPOINTMENT OF ENGLISH SPEAKING SUPREME COURT JUDGE

Question No. 1,365—**Mr. Jones:**

1. When will the vacant judgeship in the Provincial County Court, Moncton, New Brunswick, be filled?

2. Has any consideration been given to appointing an English-speaking Supreme Court Judge for the Moncton area?

Hon. Ron Basford (Minister of Justice): 1. When the Governor in Council approves an appointment. Suitable candidates are being canvassed.

2. No vacancy exists for a Supreme Court Judge.

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question no. 154 could be made an order for return, this return would be tabled immediately. Once again, the reason is the very lengthy nature of the answer.

[*Text*]

STUDIES INTO EXAMINATION OF ADMINISTRATION OR INTERNAL OPERATION OF TREASURY BOARD

Question No. 154—**Mr. Orlikow:**

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Treasury Board?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Return tabled.

[*English*]

Mr. Goodale: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Some hon. Members: Agreed.

* * *

MOTION FOR PAPERS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notice of motion for the production of papers No. 47?

COPIES OF ALL PAPERS RELATING TO DISCUSSIONS BETWEEN THE GOVERNMENT AND GOVERNMENTS OF THE UNITED STATES, FRANCE AND DENMARK IN REGARD TO 200-MILE LIMIT

Motion No. 47—**Mr. Crouse:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all documents, minutes of meetings, telegrams, etc., relating to the discussions between the government and the governments of the United States, France and Denmark, with regard to the proposed 200-mile limit.

Mr. Speaker: The hon. member for South Shore (Mr. Crouse).

An hon. Member: Stand.

Mr. Speaker: Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

[Mr. Basford.]

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (METRIC CONVERSION) AMENDMENT ACT, 1976

AMENDMENTS TO WHEAT BOARD ACT TO FACILITATE CONVERSION TO METRIC MEASUREMENT

The House resumed, from Tuesday, December 21, 1976, consideration of the motion of Mr. Chrétien that Bill C-23, to facilitate conversion to the metric system of measurement, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Gordon Towers (Red Deer): Mr. Speaker, on December 21, prior to the recess, I made some comments regarding metric conversion in Canada. I attempted to make a point I should like to repeat today because of its significance. This government has shortchanged farmers in western Canada by not having an adequate dialogue regarding the effect this resolution will have on them. There has been no opportunity for those involved in the production of food, with land use and ownership, to state their case. In addition, Mr. Speaker, we must consider what effect this measure will have on the reeves and councillors of the many counties in western Canada. Let me bring to the attention of the House a point made by the secretary-treasurer of the county of Red Deer, as reported in the Red Deer *Advocate* a few days ago:

> The system of land registry is going to be a "hodge-podge" of hectares and acres, Jim Masson, secretary treasurer of the county of Red Deer, told council Tuesday.
>
> New land titles under recent federal legislation will be registered as hectares, Mr. Masson said. But old land titles will still remain registered as acres.
>
> Thus, a block of land could well be registered in both hectares and acres, Mr. Masson said.
>
> "If you transfer a title now in acres," he said, "it will remain in acres. But if you subdivide, the land will be in hectares."
>
> Computers with land registration records in their banks will have to be programmed for the addition of hectares, Mr. Masson said.
>
> When the county of Red Deer goes metric, there will be a considerable cash outlay for speed signs. This will likely come to $3,000 for speed signs in the county alone, Mr. Masson said.
>
> Distance signs will have to be changed to kilometres instead of miles, another expense.
>
> And weights on highway weight scales will have to be in kilograms rather than pounds.

Later the same article reads:

> Mr. Masson said he wondered if it would be possible to replace a mileage sign or speed sign when it got damaged with a metric sign, over a period of two to three years. If the signs were replaced all at once, it would be expensive.
>
> Mr. Masson said he has written the department of municipal affairs to see how they propose to make the change to metric.
>
> County bylaws also would have to be changed to conform to metric, he said.

The point I am trying to explain is that the government was hasty in the implementation of this program. As an alternative, I should like to make the point I made on December 21. Let me again quote from an editorial in the *Western Producer:*

Britain learned that it would go metric in 1965. It has been 11 years since then and the weights and measures bill—as it is called—is still battling its way through the House of Commons.

According to a story in the business section of *The Sunday Telegraph*, November 7, entitled, "Metrication Muzzled and Delayed", a number of changes have been made to the bill as it fought its way through house committees. In order to ensure its progress the British government has conceded one major point: it has agreed that the mile, the inch, the pint and the gallon will be preserved and exempted from statutory metrication. Apparently the common market rules and regulations make it clear that such exemptions can be made.

I know my colleagues have much to say about this matter. I realize I took a considerable time in the House on December 21 and I appreciate the opportunity of bringing these major concerns of the people I represent once again to the attention of the House of Commons. I thank you for that opportunity, Mr. Speaker.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I, too, will be brief. I am concerned about conversion to the metric system as it affects land use in western Canada. Not only will it affect the western Canada bread-basket of the world but it will affect registration of titles involving the oil and gas industry which uses what we call the Torrens land titles system.

● (1550)

The question of whether we are going to convert acres to hectares now or tomorrow is very serious. At the turn of the century and before, surveyors came to western Canada—men like Palliser and others—with survey crews to survey land in western Canada into quarter sections, half sections and sections, into townships and municipalities, with correction lines to correct so that all these would be on the square.

However, the most important thing is that western Canada copied the Torrens land titles system, and I will deal with that in a few moments. Torrens was a New Zealander who as a layman came up with a system which simplified the registration of land. I have talked to lawyers in eastern Canada, particularly in Ontario, where land has been measured in chains, leaps and bounds, and lawyers there have to go back over 100 years to search titles, whereas under the registration land titles system in western Canada you can walk into provincial government land titles offices—except in the Northwest Territories—which cover British Columbia, Alberta, Saskatchewan and Manitoba, and merely by looking at the title you can tell who owns that title and what encumbrances, if any, are against it.

If there is an encumbrance which is not registered, then that title, if transferred, goes clear to the man in question, so it was a guarantee to land purchasers or land owners at the turn of the century, when they were homesteaders, that they obtained clear title. If there were encumbrances, money borrowed by way of mortgage or from a bank by way of caveats, that appeared against the land. What I am saying is that millions of acres of land in western Canada are described by the term "acres". No one has consulted the farm organizations. As the hon. member for Red Deer (Mr. Towers) said, no one has consulted the municipalities or the heads of counties. Nobody has consulted the farm organizations to determine whether they are prepared to accept a change.

Now let us consider cities. They are measured in lots and blocks, whether it be in Calgary, Edmonton, Winnipeg, Vancouver or Victoria. As I said at another meeting today, the only time I have heard the word "hectare" used on the farm was to name a horse Hector. I cannot assess the cost, but $100 million to change the title of those lands would be, in my opinion, small potatoes. You only have to walk into the land titles offices in Alberta, which are in Edmonton, Calgary and other central points—and it is the same in Saskatchewan, Manitoba and British Columbia—to realize what a mammoth job it would be and what a mixed-up situation it would be.

Before I deal with the history of the system, let me deal with the Turta case which involved the first oil well which was struck in Leduc in the 1940s. The adjacent quarter was owned by a man of Ukrainian ethnic origin who found that he not only owned the land but also owned the oil rights. When a search was conducted at the land titles office it was found that a clerk had made a mistake in registering the title away back at the turn of the century. The lawyer for Turta—I do not know whether it was Harold Riley, who became a judge, or another firm in Edmonton—argued that when he went to the registration system, even if there had been an error, that registration system showed who was the owner of the land and the owner of the oil rights.

Then there was an insurance fund to take care of the CPR and others who were fighting over it. That farmer was unique in that regard because the oil rights in western Canada belonged in most cases to the Crown. Many people think that in western Canada we have oil wells in our back yards, but that is like saying we have cold winters in Calgary; it is about as logical. The fact is that the Crown owns the rights. However, in that case the farmer became a millionaire overnight because of the registration system. The only reason I mention this is to show how accurate it is and how adequately it has served the people. If there were farmers here today who knew what this government is going to do in this regard, they would almost riot.

I want to deal with some history for just a few moments, because I know other hon. members represent farmers. I wish to read from "Thom's Canadian Torrens System". This book was written back in the 1920s. In fact, the first volume came out in 1912. I articled to Mr. Thom in Regina, and he was head of the Land Association for the whole of Canada. This is what he said in his book:

The Torrens system itself, however, does not acknowledge as its foundation any of these English reports—

That refers to how the British did it.

—although it would seem that some assistance from these must have accrued to the originator of the system, Robert Richard Torrens, later Sir Robert Torrens (1814-1884); however no suggestion is made or can be made that title registration *simpliciter* originated in Australia.

Actually, I think it originated in New Zealand.

Torrens was a layman and not a lawyer—

Perhaps that is why it was so simply done.

Some hon. Members: Hear, hear!

Mr. Woolliams: I knew my hon. friends would like that.

—and no doubt some personal experience with the disastrous operation of the doctrines of equity on common-law titles together with the knowledge he acquired in his positions of collector of customs and registrar-general of deeds gave him the inspiration and the impetus to persevere in his zeal to substitute for the uncertainties and complexities incidental to a system of private conveyancing the security and simplicity suggested by the shipping acts.

In other words, bills of lading gave them the idea of this certificate of title which shows a very simple plan:

He expressly disclaims any indebtedness to the English report of 1857 and states that it only reached his hands on the eve of the second reading of his bill in the South Australia legislature. Following the South Australia enactment Torrens became the first registrar-general of titles under the act; similar statutes were introduced in Queensland in 1861, in Victoria, New South Wales and Tasmania in 1862, in New Zealand and West Australia in 1874.

In Canada the advantages of a system of registration of title, whether the Torrens system or the kindred English system were also receiving consideration during this period and in British Columbia "a system peculiar to itself" but incorporating in part the indefeasability principle was introduced by legislation into Vancouver Island with the enactment on January 18, 1860, of the Land Registry Act, 1860. While the draftsman of this statute had before him the South Australia draft bill of Torrens' Real Property Act which had reached British Columbia through the colonial office, the Land Registry Act, although a statutory offshoot of the Torrens system, nevertheless was adopted to meet the peculiar circumstances of the colony and the prevailing English system of conveyancing. Registration was not made compulsory because of the confused and chaotic state of land titles—

I do not need to go on and read any more, but I should say that that system developed into the land titles system—and I want to repeat that when Alberta, Saskatchewan and Manitoba were surveyed before the turn of the century, they were divided into sections, 36 sections in a township, so many townships in a municipality—

Mr. Neil: Thirty-six.

Mr. Woolliams: Thirty-six in a municipality? Yes, and six in a township.

Mr. Neil: Thirty-six in a township.

Mr. Woolliams: Yes, I said it correctly; 36 in a township and so many townships in a municipality. That system was very simple. Every piece of land is surveyed by a quarter section; every piece of land is surveyed by half sections or by sections. Today, farmers in the west own half a section, a section, or several sections. You can go readily to a land titles office and check.

● (1600)

What will happen when we change this? Who will computerize this when you change half sections into hectares or quarter sections into hectares? I do not know what the cost will be. My guess is that it will cost around $100 million. Also, it will confuse the whole system. Why should this be thrust upon western Canada? Have we no say in these things? As I understand it, they have the same system in Montana and the western states, but they are exempting land. This has been thrust upon the Canadian people without any real thought. I see my hon. friend shaking his head. The fact is that this government's philosophy is: because we think it is good for the people, we want you to have it. It is the castor oil treatment which they used to give to the kids. "Open your mouth, it is good for you, and we will pour it down your throat." They are giving the castor oil treatment to every farmer in western Canada. They are giving it to the people engaged in the oil industry and to all the people living in the villages, towns and cities.

When I raise my voice this afternoon—and I do not speak very often in the House—I say that this has been a great political mistake, an expensive mistake at a time when this government is floundering with a deficit of $6 billion or $7 billion and does not know where to turn for money. That is another reason why there is trouble in the country and with the provinces. Who will pay for land adjustment in Saskatchewan, Manitoba or Alberta? Did the provincial governments agree to it?

Mr. Goodale: Absolutely.

Mr. Woolliams: You say one thing and do another. Were they consulted? If they were consulted, I say it is a political mistake. You can say they are in agreement. If so, then table the letters; let us see them. My friend from Assiniboia (Mr. Goodale) seems to be upset. We know why he is upset; it is because he knows that back home in the towns of Radville, Ceylon, and others—I could name a few towns in his constituency because I was there before he was—he will have trouble with the villagers and the townspeople. He knows he will have trouble, and that is why he is grumbling.

An hon. Member: He is running third in the poll in Assiniboia.

Mr. Woolliams: I would not have given him that much credit. He is only running third; that is too bad! If the hon. member for Assiniboia thinks the metric conversion will not be an expensive disruption, if he thinks it is politically good and economically sound, let him stand in his place and say so, so that every voter in Assiniboia will be able to judge him at the polls.

Mr. Goodale: Stick around for an hour, and I will.

Mr. Woolliams: I will be here. I have made my point and I have explained what is wrong. I trust that the government will see the insanity of that in which they are engaged.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I think the point has been very well taken: I am referring to the point made by the hon. member for Red Deer (Mr. Towers) and the hon. member for Calgary North (Mr. Woolliams) on the question of the landholding system. I am a supporter of the worth-while characteristics of the metric system because it is simpler and better. However, the fact remains that what we are rushing to do here in the House with such indecent haste is because the machine companies of the world, the automobile companies of the world and, in general,

the international companies of the world are dominating all the parliaments in the world.

If they are going to trade internationally, as they do, it is much simpler and cheaper for them to use the same system of weights and measures. So let us not kid ourselves about this bill. It is simply a device for the convenience of and the saving of money of the companies engaged in international trade; that is all. I am not the only one who believes that. The government House leader, who is present in the House now, was asked yesterday about the business of the House. Let me read his answer. He said:

I propose to call the metric conversion bill because of the necessity of having it in effect for the convenience of the grain trade by February 1.

It is purely for the convenience of the grain trade and so that they can save money, not for the person who goes to the store to pick up a package and finds that it is .738 millimetres and wonders what that is. This is simply a device to try to get the United States and Canada in harmony in its measuring system with the rest of the world. We have to accept this pressure because we want to trade in the world. I point this out with that background.

The main point we should take into account is the one which was made in the early stages of the debate by the hon. member for Battleford-Kindersley (Mr. McIsaac). I do not have his words before me at the moment, but in effect he said that he was disturbed because this was bureaucracy gone overboard in its enthusiasm to get something done. There has been no consultation with the people, no education of the people—I will come back to that in a moment—that would stop a tremendous uproar developing, particularly among the people who will be hard hit one month from now, the farmers of western Canada.

Comments have been made already about the tremendous cost of the conversion, the disruption of changing all our titles from acres to hectares and of changing the traditional ways of the farmers who have been brought up to know certain measurements. All these things have become part of the culture of our people, and suddenly this change is hitting our farmers first.

Here is the point I want to make. We have been selling grain in the world markets for a long, long time and we have always used the metric system in the sale of our grain. We have sold our grain by tons. This measure is to save a little time and money for the people who sit in their nice, warm offices with electronic calculators on hand. They change the figures from bushels to tons and from acres to hectares, and put it in the figures that world markets use. We will not sell one bushel of grain more because of this legislation, and we will not get one cent more for the grain. All we will do is make it more convenient for the grain trade so that their paid employees do not have to change the figures. The farmer sitting in his truck, or stepping out of the windy, draughty elevator will have to make the changes. He will have to work in decimal points. The elevator agent standing beside him freezing in that draughty place will have to make the changes.

We are making this change just because the grain companies want to rid themselves of the inconvenience that their people have. I understand that most of the elevator scales are being switched over already. I saw the permit book last year, and hectares have already appeared. I am going to put it down to the practical type of politics. Most of us recognize the advantages and the extra efficiency that will flow from the metric system, but I think we should try to put it across in a democratic, educational way, rather than issuing edicts from above. It is no use trying to crash into the consciousness of the farmer or the painful consciousness of someone, whose eyes have seen better days, trying to read the contents of a package. My sympathy does not go to the people who work in offices, with all the apparatus they have at hand to help them; it goes to people who have to struggle with this problem under adverse conditions.

● (1610)

I should like to suggest how we could make this change more readily acceptable, Mr. Speaker. First of all, I do not think there is any question that if the farmer knows that by using the word "tonnes" the bookkeeping is going to be easier: he will be amenable. It is not too difficult to think in terms of tonnes, because you simply multiply or divide by the number of pounds in a metric tonne and get back to the old figures very quickly. It is the question of hectares and acres that will cause trouble, because Canadians are used to working with acres. Hardly anyone could tell you how many square feet there are in an acre, because it is not necessary to know that. The farmer knows what an acre is, and the word is part of our culture.

There are many examples of how this situation is handled in other countries. In the People's Republic of China, a country new to the world grain trade, there are 500 million people on collective farms of 30,000 acres or 40,000 acres. The men in the production brigades who work these farms still speak in the language of their forefathers for 5,000 years and uses the term "mu" when speaking of land area. Yet officials at the county or national level speak in terms of hectares. Somewhere along the line the conversion was made, but the 500 million people on the land were not asked to abandon a 5,000-year old phrase for one that does not make for one more bushel of production or any increase in price.

I would suggest that if the government were wise in regard to this bill which deals with four or five acts, they would eliminate the substitution of "hectares" for "acres". It does not make very much difference in conversion to the metric system; it is simply a bookkeeping item. It will be difficult for the farmer who is used to adding so many ounces of pesticide to the mix for an acre of land to convert that to millilitres per hectare, without making a mistake. It is all very fine in a nice, comfortable office, but it is a different proposition trying to make such calculations in a cold field over a seeder. A mistake in calculation could ruin a crop, and that would certainly give economic urgency to the complaints we may expect to hear. I do not suggest that we in the opposition should move an amendment, but surely common sense would tell the govern-

ment to remove the clause which deals with hectares: it does not achieve anything.

On the subject of weight measurement, the tonne should not cause too much trouble. I do not think the farmer will complain any more than he has about the conversion to Celsius from Fahrenheit. When calculations for scientific farming have to be done on the spot without the help of a computer, there will be difficulties. However, I suggest we should continue using "acres" for another couple of years and gradually get around to "hectares".

Second, Mr. Speaker, as part of the public relations I think we should provide a simple equation instead of sending out the large books and pamphlets of instructions such as I have here. This one in my hand is for measuring the number of tonnes in a load of wheat. It is publication No. 1606 issued by Agriculture Canada. Instruction No. 2: reads

Here is how it works: calculate the depth of 1 tonne of grain in your truck box. Using the truck box in example 1—

You refer back to example 1 some place else which is hard to find. It continues:

—we have a floor area of 12.89 m^2 that will be loaded with wheat that has a volume of 1.30 m^3 per tonne.

Mr. Speaker, 90 percent of the farmers I know will be confused right there.—It continues:

To find the depth of 1 tonne of wheat, divide its volume by the area of the truck box floor, or in this case:

$$\frac{1.30\ m^3}{12.89\ m^2} = 0.10\ m\ (or\ 10\ cm)$$

For a truck box like the one in our illustration, a measuring stick marked at 10 cm intervals will indicate how many tonnes of wheat the truck holds.

Very helpful and practical! If farmer was not confused already, he is up the creek now. It goes on:

You can use a brodm-handle or some other straight stick to make a measuring stick for each crop you handle.

Whether is barley, flax, rapeseed, wheat, oats or any other crop, you need a different broom-handle. It continues:

Remember, each stick is good only for the truck (or bin) for which it is made.

For each bin, for each truck, the farmer needs a broom-handles scaled off at 10-centimetre intervals, and also for each type of grain. The poor man will be going around with a big load of broom-handles. I think I have read enough, Mr. Speaker. The farmer out in that cold, draughty field in the springtime or in ten below weather loading his grain, who is striving to keep the decimals clear in his mind, will demand explanations from the candidates in the next election. I think I have said enough to make the point.

Serious-minded people in this House and in the country will, I think, accept the fact that we have to move to the worldwide metric system because there is only one world of trade. But let us go forward with some compassion for those who have to do the work in the fields. The examples I have given show the uproar that will come from the rural areas. I think the hon. member for Battleford-Kindersley was right when he said it is as bad as the proposed gun control regulations. No Liberal candidate or member of parliament will want to appear at a public meeting where these matters come up. These things are imposed upon us by bureaucrats, Mr. Speaker, which has the reputation for trying to control and regulate everybody. It does not help at all to impose these silly things upon us, but, Mr. Speaker, we do want to be completely metric. I know that we must change some of our terminology and keep up with the times.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

● (1620)

As a young lad I remember, when out hunting in the bush with older men, that one of the older fellows in the party got a little warm and said, "Across that ridge, about a mile away over the hill in the bush, there is a Swedish chap who is homesteading. Let's visit him." We climbed over the ridge and went to the homesteader's shack. One of the older men in the party said to the Swedish lad, a great, tall, burly, blonde-headed giant, "Olly, have you got a crock?" Olly looked him squarely in the eye and said, "I don't know what's the matter with you Canadians I came to this country 15 years ago and it took me 15 years to learn to say a jug"—he pronounced it with a "Y", "yug"—"and now you call it a crock."

I am trying to make my point, clear with this illustration. We must change from "yug" to "crock"—at least we must make such changes occasionally. But, for heaven's sake, take it easy on the poor guy on the production side of the economy who is trying to sell his product in a convenient and profitable fashion.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I begin my remarks in this totally non-partisan debate by suggesting that the government should consider some of the sensible suggestions made by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). If the exceptions he suggested were made, I do not think the implementation, in principle, of the metric system would suffer.

I think most members of this House can see the value of the metric system. It is a simple system, based on multiples of ten, and is used in many countries of the world. Basically, the hon. member for Qu'Appelle-Moose Mountain summed up the feelings of many people who come from the prairies about the difficulties the metric system will cause, particularly to the farmers of this country. Our farmers will need to learn the new system. However, I do not foresee any great economic advantage which will accrue to our farmers and to society from the difficulties and torment of learning the new system. As the hon. member for Qu'Appelle-Moose Mountain noted, we shall not sell more wheat just because we adopt a new system. The adoption of this bill as it applies to farmers will facilitate matters somewhat for international companies trading in grain and the like. But it probably will not help us sell more grain. If the government is serious about selling more grain, it should talk seriously to governments around the world about reviving the International Grains Agreement which lapsed, so far as this country is concerned, several years ago.

We shall feel the effects in the next few weeks of the lack of such an agreement when we witness how the price of grain on world markets fluctuates according to the whim of speculators. The price will not be governed by any kind of rational pricing system or agreement. Surely it would be better to enact measures which would facilitate exports and trade, instead of fooling around with the metric system.

Our farmers face some very real problems involving the metric system. As has been said before, farms on the prairies have been surveyed: we have talked of farms in terms of square miles, sections of land, quarter sections, and so on. We have townships, correctional lines, sections, and the like. We have used such measurements deliberately and carefully over the years. Those measurements form part of the culture, not just of the farmers in western Canada but of all the people, particularly those on the prairies. Changing such a system will mean a great deal of difficulty for individual farmers and, as well, much additional cost for all farmers and society as a whole.

I should like the minister responsible to tell the House how much our metric conversion will cost the farmers of this country. How much will the total conversion cost? Can anyone estimate what the cost will be to the public treasury? I think we should be concerned about cost, in our capacity as parliamentarians. We must ask if this bill will bring to the people of Canada tangible benefits, or will the cost of conversion outweigh the benefits? I am thinking particularly of the farming segment when I say that. Will it be worthwhile for farmers? As others have said, conversion will create great anxieties and problems for farmers. Many farmers have approached me and said, "If the new system is adopted in the spring, how will I adjust my seeders and drills? When I go to seed my crop, how will I adjust my drill to seed in hectares, since the drill has been set up to seed by the acre?" Perhaps the minister can explain to the farmers of western Canada what they ought to do. I am not being political; I am merely repeating something which I as a member from western Canada have heard time and again from farmers of all political stripes.

Let me raise some further points of concern. If the farmer is to deal in hectares, how will he know how much fertilizer to put on his land, since he has been used to dealing in acres? Or how will he know how much chemical spray to use for any given number of hectares? These are questions of real difficulty for farmers. If the farmer buys land, how can he judge how many hectares will fit, say, into a quarter section? Our whole system of measurements will go through a radical change. I suspect that farmers, more than any other group in society, will be affected in a practical way by the changeover to the metric system. They are concerned about the coming change.

Some farmers can visualize the benefits of the new system. For instance farmers, as well as others, can see the benefits of the adoption of the Celsius system with respect to temperature. We all know that changes must come, and do not argue the point. However, farmers will face all kinds of practical problems with the changeover. They will face effects which may be completely different to those affecting the rest of us as we change over to the metric system. We shall need to become accustomed to thinking in terms of hectares instead of acres, kilometres instead of miles, litres instead of gallons, and the like. As well, the farmer must deal with his tools and educate himself about the various sizes of tools he needs to repair farm machinery or perform other functions on the farm. Clearly, farmers face some very real difficulties.

May I make a suggestion? If the government is not in favour of providing certain exemptions, as suggested, let it at least provide some program of education for farmers and some program of assistance and compensation whereby farmers could be compensated for some of the economic losses they will endure. One cannot compensate farmers for all the agony and torment they will go through in learning the new system, but one can compensate them for the economic loss they will suffer. I appeal to the government to consider allowing some of the exemptions which have been suggested.

Speaking personally, from my somewhat limited knowledge of farming I suggest that if we could exempt certain aspects of farming we would make conditions a great deal easier for farmers and farm products for the country would probably be cheaper. That would still not hinder the implementation of the metric system in this country. Surely that is the least we can do as parliamentarians.

My last point is this. I have the impression, which is not wrong, I think, that farm organizations and municipalities across the prairies—indeed, right across Canada—have not been adequately canvassed and consulted about the effects of metric conversion. I think the government ought to pause a moment, ought to consult farm organizations, rural municipalities and other affected communities and ask what they think about the government's program. Let it ask them for suggestions which might change the program without hurting the principle of what the government is trying to achieve in the long run. I do not think that would hurt the government and it would not hurt the process of metric conversion. I do not think you can impose something like this upon the people of this country and expect them to sit idly by like sheep or puppets.

• (1630)

We have a lot of problems in this country. Many are caused by governments and bureaucrats making decisions in offices without any comprehension of what the result of the decision will be on the farm or in the factory. The implementation of something like this may seem a little thing to city people. They say, "Can't the farmer convert something from an acre to a hectare?" That is the attitude of a lot of people. If you keep making decisions like that, how can you expect the people to have any real pride in Canadianism, a fervour to do something for the country, or a spirit of commitment? How can you expect the people of this country to be productive and pull together like people in some other countries if you constantly put obstacles of this sort in their path?

If we were to create some difficulties that in the end would help the people, I am sure they would understand. However,

doing something like this will not build up their morale. It will not make the farm population more productive, nor will it make them more enthusiastic Canadians. They will not have any more love for Ottawa, federal institutions and federal structures at a time when this is badly needed. The government could get around part of this by pausing at this time, going to the prairies and saying, "This is what we plan". They should consult the people there. There should be input from farm organizations and local governments. The government should honestly be open to some changes in possible exemptions, or perhaps a longer staging of the implementation of the metric system. If the government went there with that openness and willingness to listen, the people of rural, western Canada would be very happy and gratified.

We need that type of thing. People must genuinely feel that federal institutions are working on their behalf, working with them and not doing things to them. Too many people believe that the federal government and eastern Canada are doing things to them because of all the inequities in this country. Without rambling on, I plead once more for the government to take a second look at some parts of this bill as it pertains to western agriculture, with a view to having input from the farmers and others who are affected. They should look seriously, as human beings, to making some sensible exceptions to our conversion to the metric system.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to make a few comments on this bill in spite of the fact that metrication now seems firmly on the road to being established in this country, and the fact that any debate at this point is more or less superfluous. Metrication is pretty well a fait accompli and we only have the trimmings to put in place.

What disturbs most Canadians is the fact that they have had very little to say about metrication or the implementation thereof. This was alluded to by my colleague from Qu'Appelle-Moose Mountain (Mr. Hamilton) and my good friend the hon. member for Yorkton-Melville (Mr. Nystrom). One reason is that the decision to proceed with the metric conversion program has been essentially by government decree. As such, it has been imposed upon Canadians in a rather arbitrary manner. Hon. members will recall that the principle of metrication was brought forth in a form of resolution, not a piece of legislation.

I want to make reference to the well-reasoned and rational approach to this piece of legislation by my colleague from Qu'Appelle-Moose Mountain who placed on the record in a very articulate way some of the very serious shortcomings this legislation will impose upon the producers of western Canada and, indeed, the agricultural industry as a whole.

This bill is a sort of omnibus bill. It sets out to amend some nine different existing statutes, all aimed at facilitating the metric conversion process. I understand there will be something in the order of 81 more statutes which will have to be amended in order to accommodate the metric system.

I want to touch briefly on three different areas. First, I want to comment on the statements made by the minister responsible for this legislation upon introduction of the bill. Second, I want to deal briefly with the impact of metrication upon the consumer. Finally, I want to deal with the impact of this piece of legislation and, in fact, the whole metric system, upon the agricultural sector.

In his address to this House when introducing this bill, the minister stated that the United States, our biggest trading partner—indeed, the largest trading partners in the world are the United States and Canada—is proceeding very rapidly with its program of metric conversion. I take issue with that statement. From my examination of the subject and from reading some of the debates before Congress and some of the American press, it does not seem as though the United States is proceeding very rapidly. My understanding is that they are still considering the pros and cons of the metric system and have been doing so since 1790. They still have a great deal of ambivalence toward this system. My conclusion is that their approach to metrication is something less than aggressive. In other words, they are not proceeding with this "go for broke" attitude as we are in this country.

It is interesting to note a survey conducted by the National Federation of Independent Business, a very large, independent business organization which has representatives in every part of the United States, some 400,000 members. The survey revealed that their membership was pretty well split on whether America should go with metric. At best, it seems very unlikely that total conversion will ever be a reality in the United States of America.

Many are concerned that conversion will endanger American jobs by making the U.S. more vulnerable to imports. Many workers have pointed out that they will reluctantly take early retirement rather than learn the new system. Farmers will never be ardent advocates of the metric system because of its cost and inconvenience with relatively no advantage. With this background, and having regard to this reaction and attitude toward the metric system—and, I might say, the lack of any broad support—the United States has opted for a cautious, rational plan in the conversion process without any compulsory features such as we see in our program. They have opted for a voluntary conversion program. This is alluded to in many articles which I have examined over the course of the past couple of weeks. For example, the *Wall Street Journal* of August 20, 1976, states as follows:

> Last November a divided Congress shied away from mandating that the United States switch to the metric system of measurement, compromising instead on a national board to co-ordinate voluntary conversion.

In this way, the metric system will proceed in an orderly and rational manner. It will be imposed as industry becomes ready for it, and not before. In that connection, it is obvious that in the United States it is industry rather than the government which has been the leader. Some of the largest industrial concerns, particularly those engaged in multinational activity, have been leaders in the conversion process. Naturally, when they embark upon conversion their suppliers have to follow suit. The program is being implemented in an orderly manner with the minimum amount of disruption and economic impact.

● (1640)

There does not seem to be the compulsion in the United States which we have associated with this program in Canada. Persuasion, yes, but compulsion, no. I presume the multinational corporations in the United States are leaders in the conversion program because they are probably in the best position to pass along the cost involved in the form of higher prices to the consumer. Let there be no mistake; the consumer will ultimately bear the cost of metric conversion. No one has yet produced to me one scintilla of evidence that the metric system will benefit consumers. I have yet to see any cost analysis done in that connection.

An hon. Member: What is a scintilla?

Mr. Mazankowski: The cost of conversion remains a highly significant factor. For example, General Motors which is a leader in the conversion process, has suggested that the cost will amount to about 1 per cent of gross sales over a period of ten years. But smaller firms, machine shops, small manufacturers and retailers suggest that their costs will escalate by as much as 20 per cent or 30 per cent in a period of a year or two during the firms' conversion process. These firms, however, state that they find no problem in adopting the system as far as cost is concerned, because they simply pass the cost along. One would think that in these times of inflationary pressure such increases would be regarded as a significant element in contributing to increased living costs and that we might contemplate slowing down the conversion process during a period of so-called restraint. I do not believe tha imposition of metric conversion is an effective way of fighting inflation. I repeat—the consumer will end up paying and he will be frustrated in the process.

I turn, now, to consider the impact this legislation will have upon the agricultural industry. I should point out, first of all, that farmers are not only producers; they are also major consumers. So this program will get them in the neck on both counts. While they constitute only 6 per cent of the national population, they spend more than $5 billion on materials and services associated with food production. No less than 45 per cent of Canada's gross national product is related to agriculture and allied industries.

As I stated earlier, and as explained by industry spokesmen both in Canada and the United States, the cost of conversion will merely be passed on, and to this extent farmers, as consumers, will be faced with increased costs. But there is an essential difference. Farmers do not enjoy the luxury of being able to pass on additional costs to consumers at will. They have to take what the market gives them. So we can expect the bulk of the conversion cost as it relates to agriculture to come out of the pocket of the farmer. If we consider the net farm income picture, which shows that in 1976 income was down by some 16 per cent compared to 1975—and net income for 1977 is expected to be below that for 1973—we cannot expect producers to be very enthusiastic about the prospects of additional costs associated with metrication.

Metric System

In addition to the element of cost, there is bound to be a great deal of inconvenience and confusion. We have come a long way in agriculture in terms of the standardization of repair parts—bearings, chains, hoses, and things of that nature. The advent of the metric system simply harms that trend. New tools will be required. The service industry, an important component of the agriculture industry, will be seriously affected. Inconvenience and confusion will be impossible to avoid, yet they are not accompanied by a single assurance of ultimate benefit to the agricultural industry either in the short or the long-term.

The minister told us that most of the farm organizations had endorsed metrication. This is surprising to me, because when those of us who represent rural constituencies talk to our constituents we find that people at the grass roots show little enthusiasm for the program. I would suspect that the government has consulted only the leaders of farm organizations and that those leaders have failed adequately to canvass their membership. Anyway, to judge from the evidence I have received, they certainly could not have consulted the producers.

The United States farm bureau, which is the largest farm organization in America, said in 1975 that adoption of the metric system did not have very high priority among its leaders. As far as the Canadian producer is concerned, it seems to me that on the international market we have been doing quite well in selling our grain to the elevator in bushels which are later converted into metric tons for sale abroad. The United States has also been doing quite well. The fact is that when customers need our grain they will buy it whether it is in bushels, pints or litres. The farmers, as I have pointed out, will be strangled with the cost of changes which will have to be made in the elevator system, such as scales modifications, with no significant benefit to them.

● (1650)

The other point I want to make is that the report on metric conversion and the grain market issued by the Canadian Livestock Feed Board points out that while we in Canada are going to convert from bushels to tonnes, the Chicago board of trade, with which we compete and with which we compare prices, will be continuing for some years using the Imperial measurement system. Therefore, this will again create confusion and additional cost. The grain transport industry, we are told, will continue for years under the present system. That point is also made in this publication. The report reads in part:

> The grain transport industry will continue to use the present system for some years yet. No official date has been set for the rail and road transport systems to go metric in freight rate quotations.

So we will have a situation where trucks that come to the elevators will be weighed using the Imperial system of measurement, which will be converted to metric for payment and storage purposes and then will have to be converted back to the Imperial measure to accommodate our rail transportation system. It seems like a lot of extra work and a lot of bungling.

Mr. Kempling: There may even be another bill.

Mr. Mazankowski: My colleague says there may be another bill. In the transportation field I have already pointed out that the changes are not due to take place for many years. It could be five, ten or two years. It was pointed out earlier that the knowledge producers have gained in terms of using the descriptions and the cliches is all part and parcel of the tools and culture of the trade. This knowledge will now all become essentially redundant.

Some 40 pages of documentation will require study on the part of elevator agents. They have been going to school in order to become proficient in the metric system. One really must ask who is going to gain. As my colleague pointed out, it certainly will not be the producer. If anyone, it will be those associated with the grain trade. I do not think we need go as far as converting bushels to tonnes. We have done well in the past selling bushels to the elevators, using metric tonnes in the international marketplace.

This leads me to another point, and that is the conversion of acres to hectares. Anyone who has lived in the west will know at a glance that this proposed conversion will be very serious in terms of geography, tradition and, indeed, our culture. It has been pointed out by my friend from Calgary North (Mr. Woolliams) that it will be a tremendous task to record land descriptions and make the necessary legal adjustments in registering land.

In that connection it is interesting to note, on examining the testimony given before the Congressional Senate committee in 1975, that the United States has made a firm commitment not to proceed with the conversion from acres to hectares, and I think this is a very important precedent which we should consider during the processing of this piece of legislation. It seems to me that if use of the acre is realistic in the United States, it certainly should be realistic in this country. If we convert to the hectare and the United States stays with the acre, then in terms of comparison and in terms of dealing with our great agricultural neighbour to the south we will be at a disadvantage. I would urge, as other speakers have, that the minister seriously reconsider the change from bushels to tonnes and from acres to hectares. I think we should provide this added flexibility in this legislation to accommodate a very important industry in this country, one which represents a very important economic sector of Canada. I do not think that the average farmer has really sensed the significance of metric conversion. When he wakes up and finds out just what it all means, Mr. Speaker, he is going to be very, very angry and disappointed.

While the metric system may dominate the world, there are still a number of valid exceptions in those countries that have adopted the metric system. For example, I understand that while Sweden uses the metric system, use is made of inches and feet in the construction of homes and in the lumber industry. I understand, as well, that in South America measures of pipe and lumber are still those of the Imperial system. I wonder, for example, what will happen in the aviation field, which essentially is an international field. Will it convert, or become one of the exceptions as well?

[Mr. Kempling.]

It seems to me that if we are interested in practicality and in common sense, we should give this measure further thought. I suggest that if we fail to do so, when the full impact of this legislation becomes known to the farmers the fat will really hit the fire and we will hear a lot of resentment of, and opposition to, the metric system. I hope that in the course of this debate the minister will seriously consider some of the very realistic and positive suggestions that have been advanced.

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am grateful for an opportunity to say a few words in this discussion with respect to metric conversion in Canada. I will direct my remarks particularly to an area of great importance to my part of Canada, the grains industry with which Bill C-23 is largely concerned.

Change is always difficult to accept, especially when it affects important aspects of our daily living and our ways of earning a livelihood. People, quite naturally, develop a very strong attachment to familiar things and processes and there is predictable reluctance to something different. The metric conversion process is a classic example of this. Because of the magnitude of the change which is involved in this process and the impact which it will have upon people involved in the grains industry, particularly farmers, I am naturally concerned about the proposals contained in Bill C-23, and believe it is absolutely essential that the facts of this matter be clearly understood.

I want to deal with a few of the aspects of metric conversion affecting grain which may not be fully appreciated but upon the basis of which I believe this measure is not only supportable but is also in the best long-run interests of all segments of the grains industry, including producers in the prairie region. First, it should be noted that this change has a broad and virtually unanimous base of support in the farm community.

Some hon. Members: Oh, oh!

Mr. Goodale: Other speakers have referred to this but in most cases have tended to play down that fact.

Mr. Stewart (Marquette): Have you been talking to any farmers during the Christmas recess?

Mr. Goodale: Mr. Speaker, hon. members opposite suggest that consultation with farmers is required. Without any suggestion or encouragement on their part, I spent a great deal of time not only during the Christmas recess but before, talking with farmers in my area about this proposal before I finally made up my mind on the subject. I did not find the degree of antagonism which they perhaps see, or perhaps it would be more proper to say that they would like to see and would like to foment.

● (1700)

As I was saying, this measure has a very broad and virtually unanimous base of support in the organized farming community. In the first place, I would point to the remarks of the

minister responsible for small business who is handling this bill for the government, who on December 21 of last year, at page 2230 of *Hansard* is reported as indicating that metric conversion in the grains industry has the active support of organizations such as the Canadian Federation of Agriculture, the National Farmers Union, the Saskatchewan, Manitoba and Alberta Wheat Pools and the United Grain Growers. All of these are direct producer or producer-owned organizations and they are most anxious to see this resolution in place by February 1, 1977. Many of them, indeed, have made vigorous representations in this respect.

It is important, as well, to note the vehicle which has been utilized by the grains industry to deal with the process of conversion. I refer to the hardworking and longstanding metric conversion committee of the Canada Grains Council under the chairmanship of Mr. Earl Baxter, a well-known and widely-respected grain man. The membership of the council has been involved very directly in the positive work of that council's committee. That membership includes 28 separate firms and organizations associated with grain production, marketing, transportation and handling across Canada, many of them based in western Canada.

I will not take the time of the House to run through the full list of groups in the council, nor will I name at this time the very distinguished list of officers and directors of the council. I would simply point to the involvement of such organizations as the Canadian Seed Growers Association, the Hudson Bay Route Association, the Manitoba Farm Business Association, the Palliser Wheat Growers Association, the Rapeseed Association of Canada, the Union of Manitoba Municipalities and the Saskatchewan Association of Rural Municipalities, and so on; and those are in addition to the CFA and UGG and others which were mentioned before. These are groups and organizations which form an active working base of the Canada Grains Council Committee.

I should also point out another interesting and important point which demonstrates the kind of support for metric conversion among western grain organizations and producer groups. While certain of these groups have, for their own reasons, withdrawn from the Canada Grains Council in other respects—and here I refer to the three prairie pools which indicate a very large farm membership including a large majority of prairie producers—these organizations have, nonetheless, participated fully in the metric work of the Canada Grains Council committee, despite the fact they have withdrawn from the council for other purposes. I think that is a significant point in demonstrating an important basis of support for the thrust of what is proposed in Bill C-23.

Let me now, Mr. Speaker, make a second general point which relates to what is going on in this connection in the United States. No doubt we in Canada, as others have pointed out, are ahead in this regard. We are years behind the rest of the industrialized world, but we are somewhat ahead of the United States. The conversion process is going on there as well, but in that country it is not yet as far advanced as it is in Canada.

The general impression of many people closely involved with Canadian agriculture, and particularly with grain, is that there is no question about the United States intention of converting and the likelihood that it will be moving at an accelerated pace. Indeed, if you look at developments in the United States with respect to metric conversion in the last year to 18 months, you can see that acceleration beginning to develop, compared, for example, to what was happening two, three or four years ago. As well, for comparison purposes it is important to remember that the general commitment in Canada to conversion took place at least six years ago. It is obviously important for Canada to be slightly ahead in this connection, and not slightly behind. Therefore, I would suggest that the order of things is correct in this regard.

I want to deal, as well, with the question of cost, which has been mentioned, or more particularly with cost savings. A lot of people have been skeptical about the matter. In response to that skepticism I have asked the committee of the Grains Council to demonstrate clearly where the cost savings are, and it has produced a detailed analysis which indicates an annual saving to the grains industry in the order of $1 million. Over the long term I suggest that is, indeed, a significant saving. It is of a magnitude that should seriously be considered by those who would oppose this particular development.

Having said all that, may I clearly express my concern, which I share with my colleague the hon. member for Battleford-Kindersley (Mr. McIsaac) and, more importantly, with farmers about the impact of this change. I think the minister responsible for this measure is also sensitive to these concerns. I was glad to hear members opposite today, like the hon. member for Yorkton-Melville (Mr. Nystrom) and the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), express clear support for the principles involved in our conversion to the metric system. I was concerned that we might be up against a stone wall over there in this respect, but I see that is not, in fact, the case. I am grateful for that degree of receptivity and I, for one, am prepared to examine all suggestions for ameliorating any negative consequences which could possibly result from the conversion process. Indeed, I have been active in making suggestions in this direction to the minister and government officials involved.

In particular, I agree with the general suggestion about a thorough and effective educational program for everyone affected in the context of Bill C-23, but particularly for farmers. I also agree with the idea of as gradual a conversion process as seems reasonably feasible, given the state of developments at the present moment. In that context we have to remember the very significant work that has already been done by the Canada Grains Council committee, work that now stretches back over the better part of six or seven years and which has had a great deal of support and active involvement from the farming community across Canada, particularly the grain industry in the west.

I believe that on this side there is a willingness to hear and understand the concerns which have not only been expressed today and on other occasions when we have debated this

measure but have been expressed in other places and at other times by farmers in particular. I think there is still, as well, a willingness to respond in a sensitive and sensible way. I will be active in working with the responsible minister in this connection and I hope that members on all sides of this House will adopt the same kind of positive approach to this very difficult and delicate issue which can, I think, by the admission of all involved—whether they may in the short-term oppose or support it—work in the best interests of all of Canada, including the grains industry.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, it is a little difficult to find new things to say on this subject after the number of speeches that have already been made, but I would like to add a few comments in order to voice my concerns and reservations about the proposal. We all accept the fact that many eminent individuals, institutions and organizations have urged at one time or another that a system common to the whole world in respect of weights and measures should be adopted. Perhaps one can think of many advantages when looking at this from a theoretical point of view. It is perhaps fair to say that no one has strongly challenged the benefits that may be achieved by a system which is similar or the same throughout the world.

● (1710)

One could make some suggestions with regard to practical considerations. Theoretically, one could accept easily enough that there should be advantages if everybody talked the same language in so far as weights and measures are concerned, but I suggest that practical considerations make it rather impractical to hope that such can be achieved without great difficulty in many areas of Canadian life.

The area I would like to stress is the psychological effect on people; if nothing else, the fear of the unknown, so to speak. There is a fear of being taken out of a system with which everyone is familiar and being cast into an unknown situation. There may be some psychological disadvantages resulting from being tossed into an unknown world and out of the area where one feels comfortable. It has been mentioned that weights and measures in pounds, inches and so on have indeed become part of our very culture and part of the custom and way of life we enjoy.

I suppose to illustrate one might say that it would be very useful if in this world everybody spoke the same language. No doubt there would be advantages in terms of communication between people. Perhaps that could even prevent wars, and it certainly would contribute to greater understanding between people and nations. However, that is not being done. Nobody is promoting very seriously the idea that because there are so many advantages all nations should abandon their native tongues and accept some common language which everybody in the world could speak.

The reasons are obvious. One reason is that people have a psychological attachment to the language with which they have been living all their lives and to which they are accustomed. There is a psychological attachment to the culture they have enjoyed, so they simply refuse, in spite of a long list of advantages which I am sure anybody could envisage, to adopt a common language the world over. I think that same argument, perhaps less forcibly, applies in so far as trying to accept or impose on the world a common system of weights and measures.

I am not convinced that the scientific superiority which it is theorized would occur from this conversion would indeed be an advantage or should, indeed, prevail over the established commercial customs and practices with which we are all familiar; and if there is a scientific superiority of some sort which would prevail, the government has been very weak in making the case and many questions remain unanswered.

We have not seen any kind of cost projection in Canada. We have seen some studies from the United States, but we have not seen any studies here as to what the long-range benefits might be. There has not been a cost-benefit study done weighing the benefits against the disadvantages or weighing the disadvantages over whatever benefits might occur in the long run. We know from American studies that the Americans expect their metrification to cost somewhere around $50 billion. If we calculate, on the ratio basis, their population to ours, I suppose it would be safe to assume that the cost to Canada would be somewhere in the vicinity of $5 billion. We have to ask ourselves, from the economic point of view, whether today, when Canada is experiencing severe inflation and severe difficulty with its economy, we should be pushing so fast and so hard to impose this additional $5 billion price tag on the people of Canada.

Of course, it will be the people of Canada who will be paying, not this government nor any of the hon. members opposite who have spoken and who are so convinced that we must rush into this and complete the conversion by 1980. I think it has to be shown that a balanced study of some kind has been carried out with regard to the long-term benefits as opposed to whatever short-term expediency might be envisaged by the government in jumping into this change.

In deciding to proceed with this metrification program, what costs must be considered? I submit that the list is a very long one. In terms of cost this conversion will affect virtually every citizen of the country. The people who are involved in the manufacturing industry seem to be convinced that this is a good thing. I submit perhaps that they are the only ones who are. Perhaps only those in the manufacturing sector of our economy can show clearly that there will be some sort of advantage, the advantage being that their products will be more easily interchangeable and perhaps, therefore, more easily exported to other countries of the world where the metric system is already in effect.

However, we must think of the machinery and tools of production which must be changed. If we are talking about agriculture, new scales in grain elevators will be required. At service stations new gas pumps with new numbers will be required. At home new gas meters and water meters will be required. On highways there will need to be new highway signs. Clothing manufacturers will need to use new clothing

dimensions. The construction industry will require new plans and specifications and will have to operate under different systems. All these things add very substantially to the cost of production. I submit that in view of those costs at a time when we are trying to increase our productivity—and the government admits that is the most successful way of beating inflation in the long run—we will wind up with a slowdown in productivity while everybody tries to adjust.

Just to give an example of the cost of machinery, a meat-packing plant in my constituency which does a moderate business estimates that just to change the scales and other machines the plant is looking at a price tag of about $3,000. Perhaps to a government which deals with billions of dollars that does not sound like very much, but to a small business operation it can be a significant amount.

There are a whole bunch of other considerations which we call intangibles. We will have to learn new words and how to use them. We will have to try to get our brains adjusted to new numbers. If a person is running a lumber yard and somebody comes to his place of business and asks for 5.08 × 10.15, 305 centimetres long, what do hon. members think he will be asking for? Suppose he asks for a nail 6.349 centimetres long. What should he be given? We will be ordering sheets of plywood 1.22 × 2.43 metres. All these are simply figures—but they just do not register.

I see that my hon. friend who used to be an Edmonton Eskimo has stepped out of the House temporarily, but when I was listening to the other debaters I looked at him and thought of Miss Edmonton Eskimo. When we recall that last year's Miss Edmonton Eskimo's qualifications were 36-24-36, that has some immediate impact on the minds of Canadians. If her qualifications were expressed as 92-61-92, I am afraid that the impact would be far different and less meaningful.

An hon. Member: Wow!

Mr. Yewchuk: I am saying this to try to emphasize the disruption which will occur to the registering processes in people's brains which have been imprinted there during the course of the experiences of their lifetimes. Suddenly to take this, to scrap it all and try to re-educate everybody is totally unrealistic. It just cannot be done. I practiced medicine before I came into politics. Hospitals converted a long time ago, but when I was in medical school—which is not that long ago; I graduated in 1960—we still thought of temperatures in terms of Fahrenheit. After, metrification, when nurses phoned me to tell me that a child's temperature was 38 degrees, I always automatically asked her to tell me what that was in Fahrenheit. They had a chart with Centigrade on one side and Fahrenheit on the other. Thirty-eight degrees does not register on my brain, and I submit that this is a problem which is common to all aspects of Canadian life. When someone is given a number from another system, it does not register. That person does not know for sure what it means, so we wind up with the possibility of all kinds of technical people making all kinds of mistakes and, indeed, some of those mistakes could be very serious.

• (1720)

I have mentioned already that during the process of trying to learn new measurements there is bound to be a slowdown in production. You can take the example of a mechanic working on a motor. He sees a nut of a certain size and he automatically reaches for the right wrench. If you give him a metric nut—no pun intended on any member on the other side of the House—he has to examine all his wrenches to select the one which fits that nut, and it is no longer automatic. The effect is that he becomes less productive; it takes him longer to repair the motor because he has to spend time selecting his wrenches, something which was automatic before.

We have to ask ourselves this question. Because of this loss of experience, so to speak, how many mistakes will be made in industry, science, medicine, in the bakery or in the kitchen? The housewife will no longer be able to use her cook book. She is familiar with a cupful as a measurement, but the new directions will be in millilitres. This should not be taken as a reflection on housewives, but they will be at least as confused any anyone else trying to get used to this new system.

The question, then, is: When you are looking at the price-tag of metrification, how do you calculate the cost of psychological factors, the intangible discomforts which we will have to face? I submit it is almost impossible to put a price-tag on these intangible but great discomforts, and the very roots of our thinking will be taxed and shaken.

I would be inclined to agree with the hon. member for Vegreville (Mr. Mazankowski) that the world is moving in that direction and indeed that many countries in the world are using the metric system. But if we are to accept it, we should take a little more time and perhaps begin in the schools, in grade one, to teach the system to the children first. In a generation or so the changeover will be very simple, almost automatic. But we are rushing to complete it by 1980 and because of that all kinds of unnecessary new stresses are being placed on the minds of Canadians.

I think it would be useful to look at this question from many points of view. One of them is that there may be an advantage in converting to the metric system because anyone who uses machinery of a certain type will have to change over and buy new machinery and different kinds of equipment. So there will be a sudden stimulus in the manufacturing sector to produce new equipment which will be required. Perhaps this is an advantage at a time of high unemployment, but the disadvantages are indeed very great.

A proper profit and loss assessment of this proposal has never been made in the Canadian context. I have already touched on the reasons in part, namely, that the concept of a simple addition of the benefits which may occur, or of the greater cost which may be involved, is simply not feasible because the intangibles are virtually impossible to assess. Some attempts have been made in the United States, for example, to communicate with industry, with labour, with agriculture and with scientific groups, asking each one of them to outline what they construe to be the benefits and the disadvantages in terms of cost. From what I can gather, the manufacturing sector

thought there might be advantages. But the advantages of this system are not obvious, and the disadvantages in the immediate future can readily be seen because it is in the immediate future that the conversion and the added expense have to take place. The advantages will not be visible for a number of years. The estimates for recovery of the cost in the manufacturing sector show that recovery will take place only after about 15 years.

In agriculture, for example, if it takes as long as 15 years to recover the cost of conversion to the metric system it is a long time. Many farmers do not have 15 years on a farm. The way things are today, with costs escalating beyond belief, this added cost could well be the last straw that breaks the camel's back and drives an ever greater number of farmers off the land into another area where the net income is much more attractive.

Let us consider the construction industry and how it will be affected. Today everyone is trained in the system of Imperial weights and measures. I am speaking of planners and architects who know what the standards specifications are in feet and inches when they measure plywood, windows, doors or door-frames. All these things are part of their existing knowledge. If you start measuring everything in centimetres it will cause mass confusion and require mass retraining. It is quite easy to see that the labourer's costs will be very great. He will have to buy new tools. If he works for an employer, his tools might be bought for him, but if he is self-employed he has no such option. Then there is the question as to who will bear the cost of retraining.

Coming back to what I said before, metrication means, in effect, loss of experience. With one fell swoop you take an experienced mechanic and make him inexperienced because he has to learn a new system. His productivity will decline because of his loss of experience in his trade. What is the dollar value of that, and who will absorb it?

I wanted to make reference to non-manufacturing businesses, to the service industry. From all the studies I was able to make it is obvious that no great advantages will accrue to the restaurants. The owner will be at a disadvantage because he will have to buy new tools, new scales, and so on. In no way will that increase his productivity or his return. He might have to retrain his cooks and kitchen help to think metric, but he will not thereby increase their productivity. You cannot bake any more pies by using centimetres. So in the service industry there will certainly be added costs but no visible advantages.

Let us consider the educational system. There are all kinds of things to consider there. If you talk to the chairman of any school board in this country and ask him how his budget stands, virtually all of them will tell you that their budget is grossly overstrained because of rising costs. However, all the textbooks will have to be converted; and who will absorb the cost of rewriting the textbooks? In the area of education there is clearly an advantage when teaching mathematics to children. We all accept the fact that it is easier to learn the concept of decimals and the metric system than the old system. But that is overbalanced by the cost of converting textbooks and all the equipment used in schools.

● (1730)

I should like now to touch on the subject of agriculture, Mr. Speaker. This is an area of primary production where the costs are very obvious. They are variable, but I think substantial in terms of making alterations to machinery and so forth. There are many disadvantages in the area of agriculture, but no advantages to be seen regarding productivity. So many tons per hectare of wheat does not bring about higher productivity than under the old system. If you give a horse two kilograms of oats instead of half a gallon, the horse is not really going to eat any less; in order to keep going he will require the usual amount. If you measure the milk given by a cow in litres, it is not going to give any more milk than if you measure it in quarts. From the point of view of the farmer there is little to be gained and a lot to be lost in addition to the intangible, psychological disturbances to which I have already referred.

I should like to make a brief reference to civil aviation, Mr. Speaker. It is very important in my constituency which covers one-quarter of the province of Alberta. Charter airlines flourish in the northern regions and, indeed, air is the only practical way to travel. We have to think of the safety factor here. At present a runway is so many feet long or wide and the wind so many nautical miles per hour. But suddenly pilots are being told about metres of ground ahead and that they are so many metres from the end of the runway. Their safety could be jeopardized by this in the same way as in the French-English dispute of the air controllers who want to use their own language. Some people say this would not be safe because of the possibility of mistakes. The same applies to measurements of speed, elevation or dimensions of the runway, and so on.

All these things are presently communicated by the old system. It seems to me there is great possibility of a decrease in the safety of civil aviation unless a vigorous effort is made to retrain the people concerned into thinking metric. Air controllers would have to be retrained, and we members may have to stay here all the time because we will be afraid to travel to our constituencies in case the air controllers are not able to make the necessary calculations.

I should like to quote from a New York *Times* article which appeared in the *Globe and Mail* of December 20, 1975, which describes what is taking place in the field of civil aviation with regard to metrification. The article reads:

> Civil aviation is one field where no one is hurrying to switch to metric, because in no other area is safety so dependent upon measurement. The foot, pound and nautical mile system is used in all but communist countries for runway dimensions, in calculating distances and altitudes, for visibility and pressure gauges and in some thermometers.

We have heard nothing from the other side about this particular problem. With that, Mr. Speaker, I conclude my remarks and hope that somebody over there was listening and will provide answers to these questions before we rush this bill through the House.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I suppose if the Liberal party wanted a good example of why their popularity has been sagging lately, this would be as good a place as any to start—their method of introducing metrication. Everyone I have spoken to has some doubts about it. I do not know where the hon. member for Assiniboia (Mr. Goodale) has been, because in my long experience of dealing with farmers, no matter from what part of the country, I find they usually speak the same language. But the language I heard when I was out west in the last few weeks apparently was entirely different from the language the hon. member for Assiniboia would have the House and the country believe they are speaking.

A lot of reservation was expressed about this subject both in my constituency and outside, and I cannot believe the situation is any different in his constituency. Perhaps he has trained some of his supporters to accept that any policy enunciated by the Liberal party has to be good for the country. Perhaps they bow in subservience to him and do not register dissatisfaction because that might not be popular with the government. If ever the government needed friends, it is now; so this might be the time for them to come forward and then the government can downplay the amount of criticism they are getting about this measure.

I hear people say this is another case of the east shoving something down the throat of the west. That is bad enough, but I also hear the comment—which will perhaps affect members here more than the comment about the east dominating the west—that because the metric system is perhaps more synonymous with the French, that is why they are introducing it. These are comments I have heard, that perhaps it is a French Canadian who decided it is good for us, so we will have to proceed with it.

Mr. Douglas (Bruce-Grey): Oh, come on.

Mr. Korchinski: I am simply registering a comment I have heard. If it excites the hon. member, perhaps he should understand there is another part of this country. He should perhaps understand that there are members who do not represent manufacturing areas, and he should understand that this bill will only really benefit manufacturers. It does not really matter to the manufacturer, in terms of total exports, whether you read the temperature in Celsius or in Fahrenheit. A lot of people comment on that, Mr. Speaker. Perhaps it is not a complicated matter to measure degrees of frost, but a lot of people say the other system was better because they had a greater variation. From minus 40 degrees Fahrenheit to 108 degrees Fahrenheit there is a variation of 150 degrees, but from minus 40 degrees Celsius to 37 degrees Celsius there is only an 80-degree variation. What annoys a lot of farmers is that the manufacturers have said, "This is good for us" and have sold the government on the idea.

• (1740)

True, a large portion of the world is under the metric system, but in this country farmers, consumers and even manufacturers have been used to dealing with equipment of standard sizes. What will you do in future if you want to replace the old hubcaps on your car? Will the manufacturer have them in the right size? Remember, not all people buy brand new cars. What will happen when you want a new windshield but the manufacturers do not make them in the old, standard sizes? You couldn't replace it by taking an old windshield from another car. The government is oblivious to our concerns. Manufacturers say that the new system will be good for them but never mind the cost to the consumer, and the government has gone along with them.

Unfortunately, debate at this stage is useless. However, useless as it may be, we as members have the right to register our protests. We ought to have registered them five, six or seven years ago when the idea was first submitted. Perhaps the government would have approached conversion differently if we had made our views known. Perhaps it would have got some sort of guarantee from manufacturers with regard to standardization of parts. That would have been better than having this new system shoved down our throats. What happens when you want to buy a tire? Today you ask a tire dealer, "What is the size of that tire?" and he will say, "It is a G-78," or something like that. I can understand what one means when he talks of a 7.50 × 15, or 8.00 × 15, or even 8.25 × 15 tire, but I do not understand what is meant by a G-78 or an H-78 or J-78. Not only can the tire dealer not tell you anything about it, but the salesman is no help. So what is the result? There is utter confusion. This is just another case of planned obsolescence without beneficial result.

We have been told to speed passage of this bill because the grains industry needs it. I am not so sure about that. There was a sign on an elevator back home saying that the elevator was to be closed as of January 31 in order to convert to the metric system. Obviously, the operator intended to close and convert: he had all the forms prepared and he was getting ready to convert. Therefore, whether we pass this bill or not, he will have to convert to the new system. What is he to do if we do not pass this bill? Throw away all those forms?

There is no point in this exercise. The Liberal party suddenly realized that conversion was being criticized. What has it done? It has treated this question as it treated bilingualism and said, "This is good for the country. You must have it." When it implemented its bilingual policy it sent civil servants only two years from retirement for language training. It sent them on total immersion courses. The program cost millions of dollars, but cost was not a factor. Now we find that the program is not working. The government is using the same approach with the present measure.

Some members have already alluded to the confusion which will be created in the minds of farmers. For instance, some of our farm drills are spaced six or seven inches apart. If you want to test the accuracy of your drill, you know that you will plant so many kernels after you move so many feet. Now you are about to confuse the farmer by introducing variations.

Take the case of rapeseed. You must be most accurate when planting rapeseed; perhaps you need not be quite so accurate

with other grains. Mistakes can be costly. Farmers have talked to me about their sprayers. The sprayer jets are spaced 20 inches apart. Farmers know their height, they know the volume of the sprayer tanks and they know how much spray they should be using for a given area. If you put too much in, you will burn the crop; but if you put too little in, it is a waste of time. Therefore, you must be accurate. If you make mistakes, you end up losing money. With the unfamiliar metric system this will happen.

Has the government received any assurance from manufacturers that replacement parts will be readily available in years to come? Much farm equipment will still be good for many years to come. I suspect that the answer is no, you will have to scrap the whole machine for want of a part. I have seen it happen. I remember what happened to imported German tractors which were used out west. Within two years those tractors were sitting in the bush, rotting because you could not buy replacement parts for them. I remember the Long tractor which came on the market about 25 years ago. I don't know who Mr. Long was; I never heard of him before or after. All I know is that some farmers were sucked in to buying that machine. It went off the market and farmers lost money. Has the government considered this aspect, or does it not care?

Obviously, the government thinks this is good for us. Mr. Speaker, the bulk of our exports, approximately 70 per cent, go to the United States. The government tells us that we are going to break into the world market. Well, you are not going to break into the world market simply by converting. Actually, we stand a good chance of losing our existing United States market, and I will tell you why. The Americans do not have to buy from us. They can manufacture their own materials and are already doing so. They are going slowly with their conversion. They may consider it worth their while to spend a little more money and buy from sources other than Canada. At least they will be assured of getting standardized parts. Many customers in the Unites States will think twice before buying from Canada.

What are we doing? We are to be in the forefront of a change. This is to be a great step forward. I do not know how many farm units or farm orgnizations were consulted, but I do know that they did not have many meetings across the country or, if people from those organizations attended the meetings, they did not understand what they were all about. I can tell you that many did not understand what was going on. Therefore, how could they explain it to others?

The government too, has encountered problems. But did any representative of the minister go out to these organizations and try to explain the ramifications of the programs, its pros and cons? Not in this case. If there was ever an occasion when we needed an educational program, this was it. It is not so much that people cannot be retrained, because I am sure they can. We must give them time and you must assure them that conversion will bring benefits. Out west our roads are spaced according to certain plans. Roads running north and south are one mile apart; roads running east and west are two miles apart. Try giving the minister directions, using the new system, to get into a farmer's place. Instead of telling him to go so many miles east or west, you will tell him, "Go ten kilometres south, plus a little bit, one kilometre east, plus a little bit, then turn right and go five kilometres, plus a little bit." Where do you end up?

Mr. Benjamin: Lost.

Mr. Korchinski: Talk about confusion! Mr. Speaker, the municipalities are not going to rebuild their roads simply because we pass this bill. They are not going to take one step in that direction. In other words, the present road system will stay in effect regardless of any legislation this government tries to pass.

• (1750)

I was talking about the sprayer. The farmer does not want new equipment: he still wants to be sure that he is using a gallon, a half-gallon, a quart or a pint. He does not care what it states on the container; he intends to continue measuring in the way he has always done. Chances are that he will be right using the old method. The government system is like everything else: when the government suggests something is good for you, do the opposite and you are sure to come out on top.

I can assure the minister and the hon. member for Assiniboia (Mr. Goodale), who accepts this program with open arms, that I am getting an entirely different point of view. For example, those working in hospitals will have to use a new measurement for doses of medication. Some say they would rather quit than take the chance of giving someone the wrong amount of medication. This is not a laughing matter. It is said that they can be retrained, but the fact is these people are afraid to take on this responsibility. How can they be sure?

All this government has done is set a deadline. As far as the west is concerned, this system should have been started 70 years ago. At that time a lot of people came from Europe. They understood the metric system. It would have been a simple matter for this country to have accepted this system at that time. However, they were forced to learn a new system. Their children were trained in the new system. Now they have forgotten the old metric system. Had governments accepted the metric system at that time, there may not have been confusion with land surveys, and so on.

Possibly the minister does not have anything to do. For lack of something better to do he feels he should pilot a bill through the House. I will give him something to do. I suggest that he go to the drugstore to purchase a tube of shaving cream. There he will find at least three different measurements—ounces, millilitres and grammes. Without the aid of a computer let the minister figure out which is the better deal. I defy him to do that.

When you think you get a good deal shopping at a grocery store there is nothing worse than finding that two doors away the store has a much better deal. This is how the housewife feels. Is the minister monitoring what is going on? I am sure he is not because it is too trivial. However, if enough of this is going on it will affect the total cost of production. That is what

this is all about. If the cost of production goes higher, how can you compete?

There was talk about the 2×4. An architect or engineer may be familiar with one system and then suddenly find himself having to use another system. This will necessitate checking and double-checking. Some architects charge a very stiff fee. If their staff drags simply because they want to be doubly sure rather than have an inaccurate calculation, who will pay? Imagine trying to estimate the cost of a project. If there are variations, who will take the blame? Obviously, the standard excuse will be that somewhere along the line somebody goofed.

No matter how you look at it, there is only benefit for the manufacturer. We have heard the one-sided argument that it is good for us, that it will be good for Canada. It has already been pointed out that grain will not be sold by the bushel. However, it will still be necessary to convert. Talk to the elevator agents. Boxcars will still be measured in terms of bushels. They will have to be converted, even with the new system.

There is no point trying to convince us that this system will be good. We do not want to be sheep, particularly if we have to be led by this government. Anything this government does must be checked and double-checked. That is one of the reasons it takes longer than is sometimes necessary to get legislation through.

Mr. Goodale: I am glad you admit that.

Mr. Korchinski: We do not think like the Liberals. We have to check and double-check to see what they are up to. I want to mention one other matter. The manufacturers have obviously convinced the government that we should standardize according to the world system. However, I have seen parts that are identical. Obviously, a lot of time must be spent comparing.

The Acting Speaker (Mr. Turner): Order, please.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order to ask the acting House leader to inform us what business is intended for tomorrow.

Mr. Goodale: Mr. Speaker, the intention would be to continue the discussion on Bill C-23 relating to metric conversion.

The Acting Speaker (Mr. Turner): Order, please. It being six o'clock, this House stands adjourned until tomorrow at two o'clock, pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, January 27, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL BUILDING CODE

REQUEST FOR REMOVAL OF RESTRICTION ON USE OF FIBRE REINFORCED PLASTIC BATHROOM FIXTURES—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of the fact that the government of Canada has invested through DREE a substantial amount of money in Boeing of Canada Limited, in Winnipeg, Manitoba to stimulate growth and jobs and yet in a counterproductive move the National Research Council has restricted the use of fibre-reinforced plastic bathroom fixtures, including bathtubs which will not catch fire, and this has seriously hindered development and growth at the Boeing plant in Winnipeg which manufactures these products, I would like to move, seconded by the hon. member for Portage (Mr. Masniuk):

That this House instruct the Minister of Public Works to have the National Research Council remove the restriction on fibre-reinforced plastic bathroom fixtures by removing sentence number 3.1.4.5 (10) of the 1977 National Building Code.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such a motion cannot be presented for debate in the House without its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

NAME OF ITALIMPIANTI AGENT IN SALE OF REACTOR TO ARGENTINA—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a matter of urgent and pressing necessity. Considering that in a letter dated December 17, 1976, and tabled in a House committee yesterday, Italimpianti flatly turned down a request by the government of Canada, made via the chairman of AECL, for the name of the agent used in the sale of a CANDU reactor to Argentina, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the government reassert its right to know the name of the agent and have a description of his activities, this to be done by direct communication by the Minister of Energy, Mines and Resources to the director of Italimpianti.

Mr. Speaker: The provisions of Standing Order 43 require the unanimous consent of the House before the presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC SERVICE

INFORMING OF PEOPLE WHOSE NAMES ON ALLEGED BLACKLIST—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, I ask leave to present a motion concerning a matter that is urgent. I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House urges the Solicitor General to inform, on a confidential basis, each of the persons whose name was on the list attached to a letter written by the then Solicitor General on June 15, 1971, concerning a so-called Extra-Parliamentary Opposition, of the existence of the said letter so that these persons may have the opportunity to take steps to clear their names with respect to the charges made against them, it being the view of this House that the laying of charges in this way was contrary to the civil liberties all Canadians are supposed to enjoy.

Mr. Speaker: Such a motion pursuant to Standing Order 43 can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

POSSIBILITY OF ESTABLISHING MONITORING MECHANISM FOR POST-CONTROL PERIOD—FORUM FOR DISCUSSION

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister, I have a question for the Minister of Finance. In the television interview which the hon. gentleman gave to the CBC after his speech to the Canadian

Club in Toronto he made reference to the consideration he was giving to setting up a price monitoring mechanism similar to the Food Prices Review Board. Can the minister tell us how mature that consideration is, how close he is to announcing a mechanism of that kind, and whether or not such a mechanism will deal with the monitoring of profits and wages as well?

Hon. Donald S. Macdonald (Minister of Finance): I indicated, as I have done a number of times, that this is a subject about which I have been talking to individual members of the business community and about which I shall be talking to representatives of organized labour and to the finance ministers next week. This is a concept I am putting before them. I have made reference to a role expanded on that of the Food Prices Review Board; I think a comparison might equally be drawn with the Council on Wage and Price Stability in the United States. To respond to the final part of the question, it would really be intended to deal with all possible increases which could have an economic effect of an inflationary kind. It could cover prices, wages and other judgments by the private sector which could have an inflationary effect.

Mr. Clark: Thank you, Mr. Speaker. These private discussions with business, labour and the provinces are well enough, but I think we all know that the two largest provinces in the country, Quebec and Ontario, have announced plans for a public forum or public discussion of post-control policy and means of dealing with the problems to which the minister has referred. Can the hon. gentleman tell us whether the federal government is now giving any serious consideration as a matter of priority to setting up some kind of nationally sponsored forum which could draw together all elements in the country to discuss post-control or decontrol policy, and, if so, could he indicate what kind of timetable is being considered?

Mr. Macdonald (Rosedale): A meeting of that sort, general in the sense of involving the major economic decision-makers in the provinces, organized labour and business as well as the federal government, has been the subject of discussion. I can say to the hon. gentleman it has drawn mixed reviews from those with whom it has been discussed. While we would consider this possibility and discuss it with other parties, we want to be certain that the outcome of such a meeting would be positive before we would go ahead with such a proposal.

* * *

THE BUDGET

DATE OF PRESENTATION

Mr. Joe Clark (Leader of the Opposition): A further question to the Minister of Finance, Mr. Speaker. Is the minister in a position today to indicate fairly specifically when we may expect a new budget?

Hon. Donald S. Macdonald (Minister of Finance): I can perhaps be a little more specific than my parliamentary secretary was the other day. It will be some time after the end of February and before the beginning of June.

Some hon. Members: Oh, oh!

* * *

ANTI-INFLATION PROGRAM

POSSIBILITY OF ESTABLISHING NEW GUIDELINES—REQUEST FOR MEASURES TO CREATE JOBS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Minister of Finance. On Monday the hon. member for York-Simcoe asked whether we could expect new directives for the AIB which would be designed to encourage private investment job creation in Canada. There is no doubt about the need for this sort of thing, and in light of the minister's statements and statements made through the Ministry of Industry, Trade and Commerce and the AIB can the minister now indicate whether new guidelines or directives are now under consideration for early implementation?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think the hon. gentleman was probably referring more to a headline or report in the newspaper rather than the remarks that I actually made in my speech. I would not envisage any substantial change in the guidelines, either on the wages or profit side, before the end of the program. In particular, I would not see a specific change in the profit guidelines at this point. I was referring, from the profit creation standpoint, to the long term rather than to an immediate change in the guidelines.

Mr. Alexander: A supplementary question, Mr. Speaker. In his June budget the Minister of Finance promised the creation of some 250,000 new jobs. On a yearly average, as I understand it, only about 210,000 jobs have been created, so there has been a shortfall of approximately 40,000 jobs. On a December 1975 to 1976 basis, only 76,000 new jobs were created. In light of the high percentage of job vacancies existing, which means in effect that there are not enough jobs for those who seek them, can the minister advise the House whether any new initiatives are being contemplated in order to deal with this very serious situation? In other words, would he see that jobs are created particularly by the private sector for those who are actively seeking them?

Mr. Macdonald (Rosedale): Well, Mr. Speaker, that would be a good, short and accurate description of the kind of thinking that we are putting into our budget preparations.

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR REPORT ON INVESTIGATION OF SALE OF REACTOR TO ARGENTINA—POSSIBILITY OF BROADENING INVESTIGATION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Solicitor General. I should like to ask the Solicitor General a question with reference to the RCMP investigation of AECL activities in Argentina. Has he yet had any report from the RCMP about their investigation and what they have found, and can he give such results to the House? If he has not had a report, can he tell us when he expects to have one?

Hon. Francis Fox (Solicitor General): Mr. Speaker, the investigation has been referred to the RCMP on the advice of officials of the Department of Justice. The RCMP investigation into the matter is an ongoing one but I am not in a position to reveal what progress has been made to date. I should add that the RCMP is pursuing the matter actively.

Mr. Gillies: A supplementary question, Mr. Speaker. Has the Solicitor General or the RCMP given any consideration to broadening the investigation beyond the terms of reference which apparently are now in place to take account of all foreign transactions that involve AECL in the sale of nuclear reactors?

Mr. Fox: At the moment, Mr. Speaker, no consideration is being given to widening the inquiry. The RCMP has been given a fairly specific mandate to inquire into the transaction to which the hon. member refers. I suppose that if during the course of that inquiry material or evidence were obtained which indicated that the inquiry ought to be broadened then, of course, consideration would be given to that at that time.

* * *

ATOMIC ENERGY OF CANADA LIMITED

NEW AGENCY AGREEMENT WITH MR. EISENBERG—REQUEST FOR DETAILS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In a letter from Mr. Shaul Eisenberg to the chairman of AECL dated January 21 of this year and tabled today before the committee, Mr. Eisenberg notes that he volunteered to accept the new terms for his agent's fees as outlined in the agreement of March, 1976 in part because he was being given the contract as the agent should a second reactor be sold to South Korea. My question to the minister is this. Would he inform the House whether AECL was obligated in advance of March, 1976 to hire Mr. Eisenberg as the agent for the second reactor, and what are the terms and conditions of this new agreement?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I do not believe that there was any undertaking prior to March of last year, if that is the date to which the hon. member alluded, the AECL would use Mr. Eisenberg should AECL be authorized to quote on a new reactor sale. As to the second part of this question regarding details, I think that information has already been presented to the committee.

● (1420)

REASON FOR HIRING MR. EISENBERG TO SELL SECOND REACTOR TO SOUTH KOREA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my understanding is that the information concerning the terms and conditions of the second sale has not been presented. If what the minister is saying in the first part of his answer is that there was no obligation to Mr. Eisenberg until March of last year, then is he suggesting to the House that when Mr. Eisenberg agreed to come down from $20 million to something just in excess of $18 million he was really doing so because he was being hired to sell a future reactor and could, therefore, more than recoup his loss? Can the minister explain to the House why it was found necessary for the government, through AECL, to hire an agent to sell a second reactor once the acceptance of the first reactor had been established in the country?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think if the hon. member had been following the testimony before the committee he would have realized by now that an agent in this kind of transaction is a very important aspect of securing the transaction. I am told that competition in South Korea for a reactor was vicious, that the Canadian CANDU system was one which other competitors feared, and this led those competitors to make every kind of effort to blacken and smear the character of the Canadian system. I believe that occurred also in Argentina. I believe the then president of AECL made that very clear in his testimony this morning.

Mr. Broadbent: Mr. Speaker, I read with care the letter from Mr. Eisenberg that was tabled in the committee this morning. In that letter Mr. Eisenberg makes the case that an agent or someone performing that function has to establish in advance the acceptance of a complex apparatus such as a reactor. However, once that has been done in respect of the sale of a reactor for the first time, and the country buying it is happy, why in heaven's name would it be necessary to pay a commission to the extent of millions of dollars to make a second sale? Would not the country buy the second one because it was happy with the first?

Mr. Gillespie: Mr. Speaker, I do not think this is the time to enter into a long discourse about the nature of commercial transactions. I am sure that if the hon. member is really sincere about finding the answer to that question, if he does not know it already, he can find the opportunity to put it to officers of AECL appearing before the committee.

[*Translation*]

TRANSPORT

POSSIBILITY OF DREDGING ST. LAWRENCE AT ISLE D'ORLÉANS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of Transport.

Considering that the federal Department of Transport has undertaken to keep the depth of the channel at 41 feet along the Isle d'Orléans in the St. Lawrence to allow for the establishment of a refinery of Golden Eagle Canada Ltd. at St. Romuald, Quebec, and that the channel is now only 38 feet deep, could the minister tell the House whether his department will do the necessary dredging to keep the channel 41 feet deep at that place?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we had a close look at the question of the cost of the additional dredging to obtain a 41-foot level for the first time and drew some conclusion in terms of the cost-benefits that were involved, that they related uniquely to the operations of one particular company. Accordingly, we entered into discussions with that company which have not led us yet to conclude that the additional dredging should go ahead.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, is it true as maintained by the company that the department will compel Golden Eagle to incur the costs for dredging farther down than a 38-foot depth? If so, is it the usual policy of the government to set such conditions and can the minister give an example of such a case elsewhere in Canada?

[*English*]

Mr. Lang: Mr. Speaker, it is quite common when construction or improvement is being done and justified on the basis of the direct benefit to a particular commercial enterprise to require the appropriate payment either immediately or over a period of time by that enterprise out of the benefits which are conferred upon it.

* * *

PUBLIC SERVICE

ALLEGED BLACKLIST OF EMPLOYEES—INQUIRY AS TO GOVERNMENT PRACTICE—CRITERIA USED TO ESTABLISH LIST

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is directed to the Solicitor General. Yesterday the minister appeared to be attempting to justify the actions of his colleague with respect to blacklisting activities. Is the Solicitor General willing to tell the House whether such a list, with the accompanying letter, constitutes normal government practice or was this an isolated case?

Hon. Francis Fox (Solicitor General): Mr. Speaker, once again people are talking in terms of a blacklist which I think is very misleading. Some members of the opposition had a letter in their possession and read it into the record yesterday, knowing full well it was not a blacklist. As the Prime Minister indicated at his press conference yesterday, some of the people involved are still in the employ of the federal government. I have also stated that I have not caused to be circulated any such type of list since I have become Solicitor General. I must say, however, it is the duty of any solicitor general of this or any government to bring to the attention of his colleagues any matters relating to the security of state documents.

Mr. Hnatyshyn: A supplementary question, Mr. Speaker. The Solicitor General failed to answer the question of whether this was an isolated case. Regardless of what he calls it, will he inform the House by what criteria names find their way on to this particular list or is it a case of alleged guilt by alleged association? Can he also tell the House what he meant by the term "watched with more than normal care"? Does this imply police surveillance?

Mr. Fox: Mr. Speaker, I never used those words in the House. I think the hon. member is referring to something that was said by his own colleague during the course of the meeting.

Some hon. Members: It is in the letter.

Mr. Fox: As the hon. member knows what has been referred to are letters between members of Her Majesty's Privy Council which are privileged, as is any conversation between members of the Privy Council. I should like to add that the whole matter was handled, as I said yesterday, with the utmost discretion in order not to hurt the reputations of the people who were involved.

INQUIRY AS TO PROOF OF WRONGDOING BY EMPLOYEES ON BLACKLIST

Mr. Ray Hnatyshyn (Saskatoon-Biggar): A final supplementary question, Mr. Speaker. The Solicitor General told the House that "there was concern at the time that some government employees might be deliberately releasing government classified information", with the letter of June 1971 stating that it represented "a conscious attempt to use the knowledge and influence gained by their employment with the federal government to further their own needs." Will the Solicitor General inform the House whether the report delivered to the then solicitor general contained any concrete proof that the employees listed were in fact engaged in a conscious subterfuge?

Some hon. Members: Oh, oh!

Hon. Francis Fox (Solicitor General): Mr. Speaker, I think it is quite clear that once one accepts the necessity of any such system to have some sort of security service in operation, it is quite natural that the investigative reports of these agencies, just as in the case of investigative reports of the RCMP on the criminal side, are not made public because some of the infor-

mation could be prejudicial to the people involved and affect their reputations.

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REGIONAL ECONOMIC EXPANSION

DISMISSAL OF MR. McNUTT, VICE-PRESIDENT OF MAGI—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Could he inform the House whether he has had any discussions with either the Premier of Nova Scotia, the Minister of Development of that province, or any officials of MAGI with respect to the widely reported dismissal of Mr. Scott McNutt, senior vice-president and a member of the board of directors of that joint federal-provincial group?

● (1430)

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, of course I have discussed many subjects with the premier of the province on several occasions, but with regard to the specific matter brought up by the hon. member, I do not feel that I should intervene in the daily operations of that company. However, I am aware of some of the statements made recently about its vice-president. I shall probably have occasion in the near future of at least meeting the minister responsible for development in Nova Scotia, for a meeting is to be held in the next few days at which time I can make it a point to bring up the matter.

[*English*]

Mr. Forrestall: I should like to ask the minister whether he is indicating at this point that he has no direct knowledge himself, nor do any of his officials, of Mr. McNutt's dismissal from that Crown corporation for cause or for any other reason, and if that is what the minister is saying, would he use his offices, indeed exercise his responsibility with respect to MAGI for the purpose of discovering for his information and for the edification of the House, the reason Mr. McNutt has been dismissed.

[*Translation*]

Mr. Lessard: Mr. Speaker, with regard to Mr. McNutt, I should say that the decision must be reached by the directors of the company; I do not feel it behoves me, as a minority shareholder of the company, to decide for its members. I shall therefore have to wait until I know more about the decisions made by the board of directors of the company.

[*English*]

Mr. Forrestall: Would the minister then indicate to the House that he has no knowledge that Mr. McNutt in fact has been dismissed or let go?

[*Translation*]

Mr. Lessard: No, Mr. Speaker, I do not have knowledge of his being dismissed but, as the hon. member has already mentioned, there was a rumour in the press yesterday and the day before to that effect. We will know more about it in a few days, I suppose.

* * *

[*English*]

INDUSTRY

BOWMAR OF CANADA—POSSIBLE CLOSING AS RESULT OF ACTIONS OF UNITED STATES PARENT COMPANY

Mr. Frank Maine (Wellington): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the fact that the Canadian government has invested capital in the form of loans and grants to Bowmar of Canada, and that this company of pocket calculator fame has had capital siphoned off by the bankrupt United States parent company, Bowmar Industry Company of Connecticut, is the Department of Industry, Trade and Commerce taking any measures to prevent this activity, which has triggered the possible closing down of Bowmar of Canada's excellent research and development capacity in Canada?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not aware of this problem. I am taking note of it and I shall look into it and report to the hon. member as soon as possible.

* * *

[*English*]

PUBLIC SERVICE

INFORMING OF PEOPLE WHOSE NAMES ON ALLEGED BLACKLIST—SUGGESTED ACTION TO ENSURE NO NOTATION ON EMPLOYEES' FILES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Solicitor General. In view of the fundamental principles of civil liberties which are involved, will the Solicitor General now undertake to inform each of the persons whose name is on the list attached to the letter of June 15, 1971, that his name is there so that these persons may have the opportunity to defend themselves against the charges in that letter? I suggest, of course, that this information be given to them on a confidential basis.

Hon. Francis Fox (Solicitor General): Mr. Speaker, as I indicated yesterday, there was no question of eliminating or blacklisting anyone included in that list.

An hon. Member: What was it, tattletale grey?

Mr. Fox: It was rather the responsibility of the departments in question, as I indicated yesterday, to evaluate the recommendations that were made to them by the then solicitor

general whose recommendations were to ensure that the people understood that they could not be in the government of Canada and have split loyalties at the same time. The departments were then charged taking the necessary measures to ensure that this was carried out.

Mr. Knowles (Winnipeg North Centre): Since there is no indication that these persons were informed at all about the letter, may I ask the minister if he will now take the necessary steps to ensure that there is nothing on the files of these public servants to the effect that they were included in this correspondence, even if it requires the destruction of the list itself?

Mr. Fox: As I indicated to the House yesterday, there is no such list in circulation at the moment. At that time it was used with utmost discretion and there were no consequences other than those I outlined to the House yesterday which resulted in communications to the various ministers.

SUGGESTION LETTER CONCERNING BLACKLIST CONSTITUTES BASIS FOR CRIMINAL LIBEL ACTION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to ask the Solicitor General if the hon. gentleman is taking into consideration the possibility that the contents of that letter constitute a basis for a prima facie case of criminal libel and that members of the government have no more right that anyone else to conceal evidence. An opportunity should be given to those people, if they wish, to launch such criminal proceedings.

Some hon. Members: Hear, hear!

Hon. Francis Fox (Solicitor General): Mr. Speaker, if anyone wishes to talk about the disclosure of the contents of a possible letter between ministers, he must take complete responsibility for it and for possibly affecting the reputation of some persons if that occurs, which I do not believe is the case. This responsibility will fall on those who decide to release certain information that was of a confidential nature.

Some hon. Members: Hear, hear!

An hon. Member: Garbage.

* * *

INDUSTRY

FOOTWEAR—POSSIBILITY OF QUOTAS ON IMPORTS TO PROTECT INDUSTRY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. As the Canadian footwear industry has been severely damaged in recent months by imports from low wage countries, and as the minister informed me two months ago that he was giving serious consideration to the imposition of quotas against these imports from low wage countries as a means of assisting this hard pressed industry, could he advise me when he expects to announce these quotas, and will he also inform us what percentage of previous imports will be allowed in the future?

[Mr. Fox.]

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, officials of my department met representatives of the footwear industry or communicated with them last week. We are trying to find a way to satisfy the Shoe Manufacturers' Association. It is a very delicate problem, but I am also told that one of the three plants that were closed in Ontario has now been bought out and production will resume soon.

* * *

[*English*]

FINANCE

GOVERNMENT POSITION ON BORROWING IN FOREIGN MARKETS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. Now that we as a country have become the world's number one borrower in foreign bond markets, with our provinces, municipalities and other concerns having borrowed $8 billion last year, about 15 per cent of the total international borrowing by all countries combined, would the minister indicate if he or his department are concerned about the ongoing costs of this foreign debt which offsets any trade gain that might be made in the merchandise field, and is he concerned about the fact that much of the debt matures within five to seven years?

Hon. Donald S. Macdonald (Minister of Finance): Of course, there should be an ongoing concern about contracting over a long period substantial liabilities abroad, but given the economic circumstances which the OECD countries have been experiencing generally in the last eighteen months to two years, it is probably inevitable that we would have taken on this particular obligation.

Mr. Stevens: Mr. Speaker, my question is again for the Minister of Finance. In view of his stated concern, and as such foreign borrowing confirms that we are living beyond our means and borrowing to do it, and as the borrowing now represents over 4 per cent of our gross national product compared with one per cent in 1973, would the minister indicate if he intends to take steps, through persuasion or otherwise, to temper this mortgaging of our future to cover today's spending which includes so much in consumer goods?

Mr. Macdonald (Rosedale): I have no intention at present of preventing the provinces or the private sector from borrowing abroad. Of course, the suggestion put forward by the hon. member would push up the cost of borrowing for the provinces, municipalities and private institutions.

● (1440)

REQUEST FOR ESTIMATE OF GOVERNMENT BORROWING FOR CURRENT YEAR

Mr. Sinclair Stevens (York-Simcoe): Speaking about the high cost of borrowing, with federal government borrowing last year of some $2.7 billion, would the minister indicate if he

expects this year's borrowing at the federal level will be even higher, and specifically, would he confirm the current estimate that the federal treasury may be looking for $3.3 billion in the current year?

Hon. Donald S. Macdonald (Minister of Finance): Actually the federal government has met its borrowing requirements for the current year which, as the hon. member knows, expires on March 31.

Mr. Stevens: Calendar year I am talking about.

* * *

TRANSPORT

ASSURANCE FOREIGN REGISTERED SHIPS MEET CANADIAN SAFETY STANDARDS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Transport. What plans has the minister developed to ensure that foreign registered ships or flags of convenience ships meet Canadian safety standards? I am informed by the minister's officials that present inspection systems frustrate inspections because of their inadequacy.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we do have firm rules and regulations in the law concerning the standards of construction, equipment and manpower on vessels approaching and entering Canadian waters. In addition, we have been developing some of the most advanced systems for making contact with those vessels, and we have such a system operating on the east coast, the Ecareg system, whereby the vessel approaching Canadian waters is required to make its presence and intentions known, and there is a system then of determining the way in which the vessels meet the standards laid down.

An hon. Member: For 200 miles?

Mr. Fairweather: Would the minister consider using some of the $40 million marine disaster oil clean up fund to augment the present inspection system, which I think the minister would also agree is inadequate?

Mr. Lang: That is an interesting suggestion. It might require a change in the legislation to make use of those particular funds in that way, but I will certainly look into the question.

AGRICULTURE

SUGGESTED REMOVAL OF LIMIT ON NUMBER OF CATTLE SLAUGHTERED FOR WHICH PAYMENT MADE UNDER STABILIZATION PROGRAM

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Agriculture, and it relates to the long awaited announcement of the 1976 slaughter cattle stabilization program.

Since the 2,500 head maximum contravenes the main thrust and intent of Bill C-50, and since a very firm and definite commitment was given to beef producers by departmental officials as early as last July that no maximum limits would be incorporated into this program, would the minister take advantage of this early opportunity to remove this maximum upper limit to ensure equality to all beef producers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am not aware of any such thing being stated, but from early last year and even from the Agriculture Committee proceedings one can find that we discussed this at length with members of that committee. The suggestion was made that I make these payments quarterly, and it is not new for this type of thing to be decided, that is, maximums on payments. If it is truly a family operation there can be three payments made, so there could be a total payment of three times 2,500 head, which would be substantial, and I think that would take in the vast majority of beef producers in Canada. It may eliminate some hugh corporate operations, but the vast majority of family farms would be included.

The hon. member said this was long awaited. The act says we have to make this payment at the end of the year. We do not make the payment before the end of the year, so that the final calculations even for the month of December are not finished yet. However, we thought we should go ahead and make the announcement anyhow.

Mr. Wise: Do I understand the minister to be indicating that partnerships and multi-farm corporations would each be eligible to collect the 2,500 maximum limit on the deficiency payment?

Mr. Whelan: Yes, Mr. Speaker, the same as we have done with apples and the same as we will be doing for potato payments, where it is shown that it is a truly family operation, that there really is not a corporate set up and where it is shown that partnerships really exist.

BASIS ON WHICH COW-CALF SUPPORT PROGRAM ESTABLISHED

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question deals with the cow-calf support program which the minister recently announced for 1977. Can he explain whether it will be set up on the same basis as the current beef stabilization program or under a different arrangement for subsidy?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it would be quite difficult to explain it in detail here, but we are working this out with the provinces because it has to be worked out with the provinces. They have programs present, and our program differs from theirs. It is not going to be very easy to dovetail and to make them work together for the coming year of 1977, but from what we have heard already from the provinces, we can look forward to working with them in complete harmony.

Oral Questions

FISHERIES

REQUEST FOR SPECIAL ASSISTANCE FOR THOSE USING SIDE TRAWLERS

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I have a question for the Minister of Fisheries. The minister was advised by the Lake Group Limited on January 13 that they would have to close their fish plant at Gaultois in Burin-Burgeo, Newfoundland, on January 31 for an indefinite period in view of the financial losses which they are suffering due to the lack of fish for their side trawlers and because the new fishery management scheme does not provide the opportunity to catch more fish this year. January 31 is just two days away. I understand that they could continue operating if the minister would amend his fishery management plan or his special assistance program for side trawlers. There are 220 people who will lose their jobs on Monday. Can the minister tell us whether he is going to announce a special assistance plan for side trawlers or amend the fishery management plan so that plants with side trawlers can catch fish?

Hon. Roméo LeBlanc (Minister of Fisheries): Mr. Speaker, I have already had some discussions about side trawlers with the Secretary of State for External Affairs. The problem of the side trawlers is a very real one because of their physical limitations with regard to fishing at great distances. We are trying to find a solution to accommodate this segment of the fleet, but at the moment, with the type of fishery which is open to them, I do not yet have a solution. I am still hoping that we will come up with an accommodation for them.

PROPOSAL TO INCREASE QUOTAS FOR TRAWLERS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my supplementary is to the same minister. In light of the fact that some plants in Nova Scotia—at Petit de Grat, Louisbourg, Lunenburg, Liverpool and Lockport, just to name a few—are also dependent upon side trawlers, and there would appear to be a conflict between side trawler operations and stern trawler operations, will the minister review his compromise proposals on quotas established for 1977 in the hope that quotas will be increased on the banks which are within the range of our present fleet until such time as ships are built or acquired which would enable Canadians to catch their allocated quotas on cod, for example, on Hamilton Inlet Bank and beyond bank up to Hudson strait?

Hon. Roméo LeBlanc (Minister of Fisheries): Mr. Speaker, obviously the problem of the side trawlers raised by the hon. member for St. John's West applies to all side trawlers, again because of their limitation in that they cannot go very far. We are trying to find a solution to accommodate them. I discussed with the industry the possibility of raising quotas, but for conservation reasons we would in fact be eating the veal at a time when we want to develop the beef herd.

Mr. Crouse: In light of the response of the minister, has he given any thought to the proposal of decreasing the quotas which have been allocated to Canadians in the far northern areas I just mentioned, namely, Hamilton bank inlet, and giving that quota to foreign ships while deleting from the foreign fleet operating within our 200 miles zone some of their quotas and adding that allocation of red fish and flounder, for example, to the Canadian fishermen so that we may see our fleets operating on a longer basis within the new zone?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I am not sure I could answer the hon. member's rather complicated question in the time allocated to me. I wish to make it clear that we have offered side trawlers financial assistance so that they could in fact move farther away than they traditionally have.

As for the alternative of trading quotas in the northern districts for others, I should tell the hon. member that where side trawlers have access—Canada has most of the redfish quota, if not all, with the possible exception of some incidental catch—our traditional resistance to going up into the far north at this time of the year has left an important and rather rich quota to foreign fleets. We are taking a larger share of this quota, but at the moment the economics of building 15 million trawlers to go up into that region are obviously not favourable to us.

● (1450)

SEALS—ACTION TO PREVENT INTERFERENCE WITH HUNT—STATUS OF CASE AGAINST BRIAN DAVIES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A supplementary question, Mr. Speaker. Moving to another phase of the fishery, the seal fishery, would the minister indicate what measures he has taken as a result of the announced build-up of interference with the seal hunt which is to start very soon. What action has been taken? Would he also indicate if he has taken any further action with respect to the charge of contravening the seal protection act laid against Brian Davies which was dismissed in provincial court?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, the case of Mr. Brian Davies has been appealed, so that I feel restricted in commenting on it. Let me say that any interference with the seal hunt will be dealt with with the utmost severity. I will not brook any interference with the ability of Canadians to earn their living, which is what these fishermen in Newfoundland and the Magdalen Islands are doing. I am also happy to note that the Leader of the Opposition has accepted the seal hunt as being a necessity for Canadians who earn their living in that way. I hope the hon. member can enlighten his leader on the fact that this is a very humane hunt; actually, it is better regulated than what goes on in most of the abattoirs of this country.

AGRICULTURE

POTATOES—MINISTER'S ATTITUDE TOWARD ORGANIZATION BY GROWERS

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is for the Minister of Agriculture. In view of the repeated statements of the Minister of Agriculture and his predecessors, that unless the potato growers organize they may as well not come back to Ottawa for help in poor market years, I should like to know if the minister still means business? The question is crucial, Mr. Speaker, because of the current serious attempt to establish a potato plan in New Brunswick and because some people in the province, speaking for the National Farmers Union, have discarded the minister's statement as a hollow threat and hogwash.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker—

Mr. Stanfield: The minister of hogwash.

Mr. Whelan: —all I can say is that those who think it is easy for me to get money from Treasury Board for those programs should attend some of our meetings. I do not think it is necessary to put money into all kinds of farm organizations, because those organizations can organize themselves and do a better and more orderly marketing job of their products, which will not cost the taxpayers of this nation any money. At the same time they can make sure the producers get a reasonable price.

COW-CALF SUPPORT PROGRAM—REASON FOR REDUCED PAYMENT TO PROVINCES WHICH HAVE PROGRAMS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I direct another question to the Minister of Agriculture who apparently discriminates against some farmers, inasmuch as his recently announced cow-calf program will only provide 50 per cent of the deficiency payment to those provinces which had the foresight to establish their own programs. I ask why he is discriminating against provinces which have set up their own program, and why he is allowing only a 50 per cent pay-out in those cases?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I was talking to the minister of agriculture of the member's own province, and dealt with the treasury board of that province. The minister was elated when I told him what we would do to assist the province in their program. I also spoke with the minister of agriculture of Alberta. I look forward to the time when this will be a totally federal program, which will help those provinces which do not have this kind of program and which are not as wealthy as some of the other provinces.

INCREASE IN COMMUNITY PASTURE RATES—GOVERNMENT ACTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish the minister would begin to answer our questions. May I direct a supplementary question to him? Since farmers received notice a few weeks ago that community pasture rates under PFRA are to go up over 30 per cent this year, I wonder if the minister will take the farmers' case to the Anti-Inflation Board, or to the minister responsible for DREE, in order to have those 30 per cent increases rolled back.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am not aware of those rate increases. If they have taken place you may be sure that I shall make representations to everyone concerned.

* * *

CANADIAN WHEAT BOARD

POSSIBILITY OF BOARD CHANGING ACREAGE AND MILEAGE SYSTEM AS RESULT OF CONVERSION TO METRIC SYSTEM

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is addressed to the minister in charge of the Canadian Wheat Board, Since, as I need not remind the minister, the first rebellion we had in western Canada took place on the Red River over the federal government's attacking the survey system, will the minister advise, in a public statement, that it is not necessary for the Canadian Wheat Board to change the acreage and mileage system in western Canada, in other words, the survey system, to make it work more efficiently and conveniently?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, obviously, certain changes in measurements with regard to miles and acres are not required. It is true that in the general move toward conversion to the metric system the grain industry, including the Canadian Wheat Board and various components of it as well as elevator companies and farm-owned ones have worked effectively to adjust to the new measurements. With passage of the law now before the House this process will go forward and measurements dealing with the actual handling of grain will then take place in the metric system.

Mr. Hamilton (Qu'Appelle-Moose Mountain): A supplementary question, Mr. Speaker. Did I understand the minister to say that he will not consider assuring the farmers of western Canada that, in the move toward metric conversion, there will not be an attack on the system of surveys used in western Canada, that is, on the system of acres and miles?

Mr. Lang: Mr. Speaker, obviously, there is no such element involved. That should become perfectly clear if one simply reads the law.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Then let the minister make that public statement.

Oral Questions

INDIAN AFFAIRS

BUILDING OF KITIMAT PIPELINE OVER TERRITORY OCCUPIED BY NATIVES—REQUEST FOR REPORT ON NEGOTIATIONS

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question for the Minister of Indian Affairs and Northern Development is related to the proposed building of the Kitimat pipeline. Since the lands in question are occupied by several native Indian nations and the proposed pipeline may have deleterious effects on the environment, salmon stocks, herring fisheries, bottom fish of the ocean and sea vegetation, I ask if the minister has received representation from the Pacific Northwest Native Indians about this problem and if he has met with the provincial government to discuss the matter? If so, can he report on the progress of those discussions?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, yes, I have received representations from the Indians in the area as well as from the hon. member for Skeena, and they are under consideration.

* * *

EXTERNAL AFFAIRS

POSSIBLE RELAXATION OF UNITED STATES LAW CONCERNING CONVENTION EXPENSES BECAUSE OF DISCONTINUANCE OF DELETION OF CABLEVISION COMMERCIALS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is directed to the Acting Prime Minister. In view of the CRTC's decision whereby the random deletion of commercials from cablevision programs originating in United States will be discontinued, is the government considering revision of the legislation dealing with the tax liability of *Time* magazine and other magazines and commercial advertising on United States television, in return for the relaxation of the new American law restricting deductions for expenses for conventions held in this country which United States citizens attend?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, there is no such legislation under consideration at the present time.

* * *

FINANCE

EFFECT OF UNITED STATES RESTRICTION ON CONVENTION EXPENSES ON TOURIST INDUSTRY

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, may I direct a supplementary question to the Minister of Finance? Has the government considered the effect of the new American tax law to do with the deductions I mentioned on hotels and the tourist industry in Canada, and can he say if any action will be taken on the matter?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the situation is under scrutiny, but I should not like to comment on it at this point.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

ENVIRONMENTAL AFFAIRS

REASON FOR RELEASE OF FILM "FORECAST FOR SURVIVAL"—DEPARTMENT RESPONSIBLE FOR SUPPRESSION OF FILM

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Minister of Fisheries and the Environment. Yesterday the hon. member for Perth-Wilmot asked why the film "Forecast for Survival" produced in 1975 by the National Film Board for the Department of the Environment had not been released. I wonder if the minister could comment on a somewhat unusual coincidence: within 30 minutes of the question being asked, the film was released. Can the minister comment on the possibility of the Department of External Affairs having applied pressure on his department not to release that film after it was produced in 1975?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, obviously, things move more quickly when I am absent from the House than when I am present. I am not familiar with the details of the matter but I can inform the hon. member that I authorized the screening of the film, because of the high profile of the issue during the pre-Christmas period, involving tankers. I asked for the film to be screened again, with a view to seeing if it could be released without being updated. The film, conceived in 1973, was finally produced in the spring of 1975; after checking, it was realized that it was a bit out of date, and it would have cost $20,000 to do it over again. Money is tight and was tight at that time, and that is why it was not proceeded with. My reaction was that the film was limited somewhat in not being totally up to date, but I think it is an interesting document and I suggested release, if I remember correctly, on the day we left for the Christmas break.

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, may I direct a supplementary question to the Minister of Fisheries and the Environment? Would the minister say at whose request or insistence the film was suppressed for 18 months? Was it at the request or insistence of the Department of the Environment or are rumours regarding the influence of the Department of External Affairs in holding back release of this film accurate?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I assure the hon. member that the film was commissioned by ourselves. It was at our request that it was withheld. I know that the problem of updating it was very real. Certainly, if, because of delicate negotiations going on with other countries, we were advised not to release it at that time, I find that perfectly reasonable.

● (1500)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I wonder if I might be permitted to ask the government House leader his intentions with regard to the business for today and the rest of the week, and perhaps into next week.

Mr. MacEachen: Mr. Speaker, we are presently dealing with the metric conversion bill which I hope will clear the House very shortly. Following that, the Minister of Finance will deal with the Customs tariff and the excise tax for the remainder of this week. On Monday we propose to deal with the Income Tax Act. Because the Minister of Finance will be involved in a finance minister's conference on Tuesday and Wednesday, for those two days I will call Bill C-27, second reading and reference to the Standing Committee on Labour, Manpower and Immigration of an act to establish the Department of Employment and Immigration, and so on. On Thursday, if the Income Tax Act has not cleared the House on Monday, we will return to that measure.

Mr. Baker (Grenville-Carleton): Mr. Speaker, the hon. gentleman did not mention the matter of allotted days. Has he given any thought to that? If so, can he now tell us? If not, will he entertain a suggestion with regard to allotted days?

Mr. MacEachen: Mr. Speaker, I have thought about them and I will entertain a suggestion with regard to them. However, I believe we will have to consider them following the program I have laid out.

Mr. Baker (Grenville-Carleton): Fine.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, can the government House leader indicate when he is going to call, for second reading, Bill C-30 in the name of the Secretary of State which, among other things, includes provision for the institution of Heritage Day. In view of the fact that this year that day will be on February 21, will the minister call the bill soon so that parliament can make a decision in time for it to be observed in 1977?

Mr. MacEachen: Mr. Speaker, it depends upon what the hon. member means by "observe". It is my understanding that parallel action would be required with respect to the Canada Labour Code to give effect, for example, to a holiday to employees under federal jurisdiction. I make that qualification because if the holiday were to be observed in the way the hon. member desires, as I understand it would require simultaneous action with regard to the Canada Labour Code. I believe the Minister of Labour will be giving first reading to an amendment to the Canada Labour Code today which, if my memory is correct, will deal with this matter.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I appreciate what the minister has said, but he has not answered my question. Will he call Bill C-30 soon?

Mr. MacEachen: Mr. Speaker, I have some more urgent items with which I would like to deal. Today the House has been asking when the Minister of Finance is going to produce a budget. The House has not yet dealt with the bills that have come from the last budget. I would like to get some of them out of the way first.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the government House leader has indicated that the government is concerned, in terms of its priorities, with such bills as metric conversion, the Customs tariff and the excise tax. The Minister of Finance indicated that we will not have a budget before the end of next month. Is the government telling the House and the people of Canada it will not have before late spring any measures to deal with the serious unemployment situation?

Some hon. Members: Oh, oh!

Mr. MacEachen: No, Mr. Speaker. If the hon. member had listened to my outline of government business, he would have noticed that on Tuesday and Wednesday we will be dealing with a bill that relates directly to the whole question of employment, unemployment, work sharing, job creation and insurance—all very important questions.

* * *

PRIVILEGE

MR. OBERLE—GOVERNMENT'S RELEASING OF INFORMATION RESPECTING NATIONAL SECURITY

Mr. Speaker: Order, please. Yesterday the hon. member for Winnipeg North Centre (Mr. Knowles), at the conclusion of the question period, raised a point of order concerning the alleged reference to a document by the Solicitor General (Mr. Fox) during that question period. The purpose of the point of order was that within the regulations and precedents in our practice the minister, having made reference to that document or having cited the document, ought to be compelled by the House to produce it.

There are three aspects to the matter. The first is whether the minister, in terms of the precedents, in fact cited the document. In that respect I would refer the House to a ruling by Mr. Speaker Lamoureux on November 16, 1971, which reads as follows:

> In fairness, looking at the matter as objectively as I can, I do not see how it is possible for the Chair to make a ruling at this point that a document that has simply been referred to but has not been directly quoted should be tabled in debate. I find it difficult to rule otherwise. Hon. members may look at the citations that have been quoted in a very interesting and forceful way by the hon. members . . . If a document has been actually cited or quoted in debate by a minister of the Crown, it has to be tabled. If only reference is made to it, I do not see how there can be an obligation to table it.

The interpretation of that precedent ought to be strict where the document has first been referred to in the question period by a questioner. It ought to be interpreted much more against the minister, in my opinion, if—as the rule and the precedent

envisage—a minister is in a situation where in debate, which is what the rule says, the minister has taken an advantage of the rest of the House by referring to, citing or quoting a document in his possession but not in the possession of the rest of the House.

Therefore, if in the question period—which strictly speaking, is not debate but has some parallel application—a minister were to make first reference to a document, which gave him an advantage in answering a question, that the rest of the House did not have in pursuing further questions, the rule could be interpreted in that way. However, where the document is raised and, in answer, some reference is made by a minister, the language of Mr. Speaker Lamoureux is directly applicable: there would have to be a direct quotation or citation, which was not the case yesterday.

In any case, there are two other aspects to the matter. Second, there seems to be some desire on the part of those pressing for the production of the document that some altered form of the document be produced. Surely it would not be expected that this House, or the Chair especially, would formulate an order which would tell a minister to produce a document in response to that order—not the entire document but merely an expurgated version. I have the greatest difficulty understanding how such an order could be phrased and, therefore, I am not prepared to proceed with it.

In the final analysis, the minister claims that the document ought not to be released by him in respect of the public interest. It is conceded, certainly, by both the arguments, specifically by the hon. member for Winnipeg North Centre and the action of the hon. member for Prince George-Peace River (Mr. Oberle) in support of his point of order, that by leaving out large portions of the document it would, in fact, be against the public interest to table the entire document. Therefore, for those three reasons I will not order the document to be produced.

Mr. McCleave: Mr. Speaker, I rise on a point of order with respect to the business that has been announced to the House and, more particularly, with respect to Bill C-31 which was introduced into this chamber yesterday. I have read the resolution, and it tells one nothing except for page 4 of the order paper notices. I have not been able to get my hands on the bill, either, though I asked for it early in the afternoon. However, I understand it represents an attempt to remove certain grain and flour subsidies helpful to Halifax and to Saint John.

● (1510)

If my understanding of Bill C-31 is correct, this is an issue which was debated long and hotly during the present session of parliament, with the result that it was withdrawn at one stage of the proceedings. The point I am making briefly is this: when Bill C-31 is introduced for second reading, I intend to argue that it should not be considered at this session of parliament on the basis of the very ancient and, obviously, most worthy practice that you do not take two bites of the same cherry at one session of parliament.

Some hon. Members: Hear, hear!

[Mr. Speaker.]

ROUTINE PROCEEDINGS

[*English*]

CANADA LABOUR CODE

AMENDMENT RESPECTING GENERAL HOLIDAYS

Hon. John C. Munro (Minister of Labour) moved for leave to introduce Bill C-32, to amend the Canada Labour Code.

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

* * *

NATIONAL TRANSPORTATION ACT

MEASURE TO REDEFINE OBJECTIVE OF TRANSPORTATION POLICY

Hon. Otto E. Lang (Minister of Transport) moved for leave to introduce Bill C-33, to amend the National Transportation Act and the Department of Transport Act for the purpose of defining the objective of the transportation policy for Canada and authorizing the consequential rearrangement of powers and duties relating to transport and to amend the Transport Act and the Railway Act in respect of freight rates and other matters.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 162, 494, 662, 935, 936, 942, 956, 964, 966, 972, 992, 1,023, 1,026, 1,058, 1,061, 1,091, 1,178, 1,280, 1,283 to 1,287 inclusive, 1,289 and 1,291.

[*Text*]

CONTRIBUTION TO THE GROSS PROVINCIAL PRODUCT OF NOVA SCOTIA

Question No. 162—**Mr. Forrestall:**

1. What is the government's best estimate of its dollar level contribution to the gross provincial product of Nova Scotia in each year for which figures are available since 1968?

2. For each such year, what percentage of Nova Scotia's gross provincial product does the federal spending represent?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): 1 and 2. No further types of data have become available since the same question was put and answered earlier this year (See House of Commons Debates, July 12, 1976, Vol. 119, No. 339, p. 15256). However, data for 1975 and revised data for 1974, are now available for the series presented in the previous reply. The comments made in the previous reply as to

the limitations of using these data for the purposes sought in the question apply equally to the figures presented in this reply. Estimates of Nova Scotia's gross provincial product come from the Atlantic Provinces Economic Council and the estimates of expenditures in Nova Scotia under a number of major federal programs are from Statistics Canada. As a general indication of their importance relative to the size of the Nova Scotia economy, the second panel shows the expenditure estimates expressed as percentages of estimated gross provincial product. These percentage figures do not, in any way, represent estimates of contributions to gross provincial product.

Federal Payments to Persons and Governments in Nova Scotia

	Nova Scotia Gross Provincial Product	Wages and Salaries (in $ Millions)	Transfers to Persons	Transfers to Provincial-Local Governments
1971	2,581	247	213	236
1972	2,924	278	281	279
1973	3,405	307	322	346
1974	3,912	375	396	416
1975	4,422	430	477	528
		(as per cent of Nova Scotia Gross Provincial Product)		
1971		9.6	8.4	9.1
1972		9.5	9.6	9.5
1973		9.0	9.5	10.2
1974		9.6	10.1	10.6
1975		9.7	10.8	11.9

ADMINISTRATOR OF THE ANTI-INFLATION BOARD

Question No. 494—**Mr. Orlikow:**

1. (a) Who is the Administrator of the Anti-Inflation Board (b) what is the (i) classification (ii) salary or salary range of the position?

2. (a) What previous position in the Public Service did he or she hold (b) what was the (i) classification (ii) salary or salary range of the position?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): There is no such position with the Anti-Inflation Board.

PUBLIC SERVICE EMPLOYEES

Question No. 662—**Mr. Lachance:**

Between the date of the presentation of the last budget May 25, 1976 and October 12, 1976, did the Department of Finance, Industrial Development Bank, Bank of Canada, Tariff Board, Department of Insurance, Canada Deposit Insurance Corporation and Anti-dumping Tribunal hire, dismiss or transfer employees to other departments and, if so, how many?

Hon. Donald S. Macdonald (Minister of Finance): In so far as the Minister of Finance is concerned: Department of Finance: The number of employees hired by the Department of Finance during the period in question was 48. No employees were dismissed. A total of 111 employees were transferred or promoted to other Departments and Agencies of the Federal Government. It should be noted that a substantial proportion of this latter group were employed in the provision of joint support services to the Department of Finance and the Treasury Board Secretariat, although formally employed by the Department of Finance. In respect of the Anti-Dumping Tribunal, three employees were hired during the period in question and three were transferred or promoted to other Departments and Agencies of the Federal Government. I am informed by the Bank of Canada as follows: It has not been the practice to answer detailed questions concerning the internal administration of the Bank of Canada inasmuch as the Bank of Canada Act places the responsibility for its management in the hands of its Board of Directors. I am informed by the Canada Deposit Insurance Corporation as follows: No employees were hired, dismissed or transferred to other departments.

In so far as the Department of Insurance is concerned: hired, 18; dismissed, 0; transferred, 4.

In so far as Tariff Board is concerned: nil.

TRANSFER OF DOCKS ALONG ST. LAWRENCE RIVER

Question No. 935—**Mr. Lambert (Bellechasse):**

Did the government negotiate with the Province of Quebec on the transfer of certain docks situated along the St. Lawrence River and, if so (a) have such negotiations ended (b) which docks were negotiated (c) was an agreement signed and, if so (i) which docks will be transferred to Quebec and on what date (ii) what are its terms (iii) will a copy be tabled in the House?

Hon. Otto E. Lang (Minister of Transport): Yes, the government has been negotiating with the province of Quebec on these matters since early in 1975. (*a*) No. (*b*) Anse-au-Portage; Anse-à-l'Eau; Île aux Grues; Montmagny; St-Juste-du-Lac; Notre-Dame-du-Lac; St-Siméon; Rivière-du-Loup; Sorel; St-Ignace-de-Loyola; Godbout. (*c*) No.

TRANSPORT—AIRPORT OPERATORS COUNCIL CONVENTION IN SAN FRANCISCO

Question No. 936—**Mr. Horner:**

Did any official of the Department of Transport attend the recent convention in San Francisco of the Airport Operators Council?

Hon. Otto E. Lang (Minister of Transport): Yes. (See list below.) The Airport Operators Council International holds an annual conference each year in a major North American centre. These conferences cover the many aspects of airport operations which enables Air Transportation senior management an opportunity to interchange new concepts of the total operations. R. Belisle—General Manager Airports, Quebec Region; D. C. McAree—Airport Manager, Toronto International; H. J. Tolan—Chief, Rate Economics, Ottawa; W. P. Stoker—Chief, Airport Policing and Security, Ottawa; C. Tackaberry—Chief, Airport System and Services, Ottawa; P. P. Bowes—Director, Airport Services and Security, Ottawa; G. Y. Sebastyan—Director, Airport Facilities, Ottawa; R.

Campbell—Chief, Environment, Ottawa; R. Smith—Regional Manager Airports, Edmonton.

HOSPITAL CARE FOR VETERANS IN MARITIME PROVINCES

Question No. 942—**Mr. Howie:**

1. What provision is made for the care of veterans, in each Maritime Province, who require a form of hospitalization but do not qualify for active treatment beds in hospitals?

2. Does the Department of Veterans Affairs own any hospitals, nursing homes or rehabilitation centres available to veterans from the Maritime Provinces?

3. Did the Department ever own and later dispose of any such facilities and, if so (a) what facilities (b) for what amount (c) for what other consideration?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. In all hospitals in the maritime provinces veterans have the same right of access as all other residents. In addition, pensioned veterans have the right of hospital of choice for hospital care required in connection with their service-incurred disability, for which the department pays the costs. Further, departmental facilities and priority access (contract) beds are available for certain veterans under the Veterans Treatment Regulations, as follows: Nova Scotia—DVA Camp Hill Hospital, Halifax, for acute, chronic and domiciliary care; New Brunswick—West Saint John Community Hospital and Ridgewood Veterans Wing; Prince Edward Island—Camp Hill Hospital, Halifax, for chronic and domiciliary care.

2. The Department of Veterans Affairs owns one hospital (Camp Hill Hospital, Halifax) in the maritime provinces.

3. Yes.(a) Lancaster Hospital in Saint John was transferred to the province of New Brunswick. (b) The monetary amount involved in the transfer was $1.00. (c) The other considerations are as follows: Canada shall have the right of priority use of 140 beds in a hospital for active and chronic treatment for veterans (20 of the said beds may be used for domiciliary care); and 60 beds for domiciliary care of veterans. Satisfactory arrangements were made for the transfer of staff. A capital grant of $6 million was made payable to the province towards the cost of the provision of 60 priority use beds contained within a domiciliary care facility to be constructed in the Saint John area; the construction and/or renovation of health facilities; and the purchase and installation of such equipment as may be required—all of which shall be related to the improvement of hospital, medical and treatment facilities for the benefit of veterans.

REMOVAL OF RAILWAY TRACKS FROM FREDERICTON, NEW BRUNSWICK

Question No. 956—**Mr. Howie:**

1. Has any application been received by the government concerning the removal of railway tracks from Fredericton, New Brunswick and, if so, what is the status of any such application?

2. What government funds or programmes are available to assist such a request financially or otherwise?

Hon. Otto E. Lang (Minister of Transport): 1. No application has been received, nor has there been any recent contact by either the city or the province with Transport Canada.

[Mr. Lang.]

2. Part I of the Railway Relocation and Crossing Act provides for the relocation of rail lines. The Minister of Transport and the Minister of State for Urban Affairs will support up to 50 per cent of the cost of preparing Transportation and Urban Development Plans required for application to the Canadian Transport Commission for authority to relocate railway facilities from urban areas. The Minister of Transport, after approval from the Governor in Council, and upon recommendation from the CTC would pay up to 50 per cent of the net cost of relocation.

TRANSPORT—SUBWAY, STE-ANNE DE BELLEVUE

Question No. 964—**Mr. Herbert:**

1. For the construction and the relocation of the subway carrying Ste. Marie Boulevard across and under the tracks of CP and CN Railways at Ste. Anne de Bellevue, Quebec, what was the basis for the determination that the maximum sum of $1,250,000 would be paid out of the Railway Grade Crossing Fund?

2. Does the government take part in such deliberations?

3. Is there adequate funding of the Railway Grade Crossing Fund?

4. Has the Government of Quebec indicated any reluctance to proceed with this work because of insufficient funding by the Railway Grade Crossing Fund?

Hon. Otto E. Lang (Minister of Transport): The Canadian Transport Commission advises as follows: 1. The application for assistance for this project was made under Part III of the Railway Relocation and Crossing Act. Section 20, Subsection 3, paragraph "b" prescribes the percentage of the costs which may be paid by a grant from the Railway Grade Crossing Fund. It also fixes the maximum amount which may be paid as $625,000. In the case of St. Marie Boulevard, the subway under each railway was considered as a separate project and the maximum therefore becomes 2 x $625,000 or $1,250,000. The grant as provided for in the order is correct according to the provisions of the Railway Relocation and Crossing Act.

2. The Canadian Transport Commission is responsible for the administration of the Railway Grade Crossing Fund as provided for in the Railway Relocation and Crossing Act.

3. There is adequate funding of the Railway Grade Crossing Fund.

4. The Railway Transport Committee's files do not indicate any reluctance on the part of the government of Quebec to proceed with this work because of insufficient funding from the Railway Grade Crossing Fund.

CONTRACT TO BELL CANADA

Question No. 966—**Mr. Marshall:**

1. With reference to a release dated October 21, 1976 by the Minister of Supply and Services and the Minister of Communications, announcing a contract to Bell Canada to implement an inter-city telephone network, with participation by Newfoundland Telephone Company as a sub-contractor, what are the details of the contract for inter-city telephone communications between Ottawa and Corner Brook, Stephenville and Deer Lake in western Newfoundland?

2. What are the details of inter-city telephone communications between the cities of St. John's and Corner Brook, Newfoundland, as it relates to government departments or agencies between those two cities?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The contract for the new system provides for inter-city

telephone communications from Ottawa to the three locations: Corner Brook, Stephenville, and Deer Lake. Because of forecasted call volumes, telephone communications from these locations to Ottawa would continue to be provided by the regular commercial network. A service improvement will occur for telephone calls which originate in Ottawa and terminate in Newfoundland. This improvement results from the agreement under the contract to specified transmission standards which are to be maintained on a national basis.

2. Inter-city telephone service between the cities of St. John's and Corner Brook are presently served on the commercial network. We expect this service would continue to be used until there is sufficient traffic to warrant private line service for the federal government.

CARGO SHIPPED VIA ST. LAWRENCE RIVER PORTS

Question No. 972—**Mr. Forrestall:**

1. Is the government considering assessments against cargo shipped via St. Lawrence River ports to recover costs incurred in providing (a) dredging (b) ice breaking services and (i) if not, for what reason (ii) if so, on what date?

2. Is the provision of these services "free" not a direct conflict with the government's alleged user pay programme as pertains to transportation services?

3. Does the government consider the provision of these services "free" to constitute an unfair disadvantage to the Ports of Halifax and Saint John?

Hon. Otto E. Lang (Minister of Transport): 1. The government is considering the complex issue of marine user charges for the range of marine services provided in all sectors of federally serviced waters. The particular St. Lawrence River services mentioned are being considered, but not in isolation, and no date has been set for such a levy.

2. The imposition of user charges to the extent practicable is only one of the objectives of the transportation policy. Considerable time and economic analysis will be required to implement this part of the policy in all transport modes without impairing our international trade or regional social and economic development.

3. Halifax and Saint John have received significant federal assistance in recent years and are able to compete very effectively with alternative Canadian and American ports.

NATIONAL DEFENCE—NUMBER OF BILINGUAL POSITIONS

Question No. 992—**Mr. Howie:**

1. As of November 1, 1976, how many positions in the Canadian Armed Forces were designated as bilingual?

2. Is consideration being given to a review of the designation of these positions?

Hon. Barney Danson (Minister of National Defence): 1. In accordance with studies conducted to comply with the official languages act the Department of National Defence has identified 12,256 positions as bilingual for future requirement. Due to many factors such as training facilities, funding, career progression etc. no positions have so far been designated. Depending on factors as listed above some designations will commence in 1978 but will not be completed till 1992.

2. Not applicable.

DEVELOPMENT OF ELECTRIC POWER IN NEW BRUNSWICK

Question No. 1,023—**Mr. Howie:**

During the fiscal year ended March 31, 1976, how much money was (a) paid (b) committed to New Brunswick for development of (i) each of the electric power production units by location (ii) electric power transmission facilities by locations?

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited reports as follows: (a) Thirty million dollars loan funds re Point Lepreau Nuclear Electric Generating Station; (b) (i) Nil; (ii) Nil.

VIOLATION OF BANK ACT AND REGULATIONS

Question No. 1,026—**Mr. Howie:**

How many violations of the Bank Act and Regulations were reported by the Inspector General of Banks (a) for the year ended March 31, 1976 (b) from April 1, 1976 to date?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): (a) One; (b) None.

SOCIAL DIRECTOR—VICTORIA VETERANS HOSPITAL

Question No. 1,058—**Mr. McKinnon:**

1. In the event of the retirement in the Spring of 1977 of Mr. Cassels, Social Director for the Veterans' Hospital in Victoria, has the Department of Veterans Affairs made plans for a replacement for Mr. Cassels?

2. Has the Department considered extending Mr. Cassels' service on a part-time basis and, if so, what were the results of such consideration?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Mr. Cassels remains undecided as to when he will retire. Should he do so in the spring of 1977, he has indicated that he will give the department three months' notice. In the event of Mr. Cassels' retirement, the department would normally proceed to find a replacement for him.

2. The department is not considering extending Mr. Cassels' service on a part-time basis but would consider it if this would serve the requirements at the Veterans Pavilion.

CORRIDOR ROAD CONNECTING NEW BRUNSWICK AND QUEBEC

Question No. 1,061—**Mr. Howie:**

Have any studies been done on the feasibility of a corridor road connecting New Brunswick to Quebec by a relatively direct route through Maine and, if so (a) on what dates (b) by whom (c) are they available to the public?

Hon. Otto E. Lang (Minister of Transport): In so far as Transport Canada is concerned: One study was undertaken several years ago which evaluated the feasibility of a corridor road connecting New Brunswick to Quebec by a relatively direct route through Maine. (a) the study was undertaken in 1970; (b) the study was conducted by N.D. Lea and Associates

Ltd., Transportation Engineers and the M.W. Menzies Group Ltd., Consulting Economists; (c) the report can be made available to interested parties through the Transport Canada Library, 13 Floor, Tower C, Place de Ville, Ottawa, Ontario, K1A 0N5.

INSPECTION OF BANKS

Question No. 1,091—**Mr. Howie:**

1. Since January 1, 1974, have any banks or branches located at Fredericton, New Brunswick been inspected by the Inspector General of Banks or his staff and, if so (a) how many (b) on what dates (c) in what locations were the inspections conducted (d) what is the address of the bank or branch?

2. Were any irregularities discovered during any of the inspections and, if so, were they rectified?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): 1 and 2. The Financial condition of a bank is based on its operations as a whole including all of its branches. The Inspector General and staff are concerned with examining and inquiring into the management policies, practices and control procedures of the bank as a whole including those pertaining to examinations made of branches and departments through internal and external audits. Branches are accordingly not normally inspected by the Inspector General or his staff and none were inspected since January 1, 1974 at Fredericton, New Brunswick.

REFITS OF FOUR HELICOPTER DESTROYERS

Question No. 1,178—**Mr. McCleave:**

1. What terms, as to times of refit, were set forth in the tenders for the refits of the four helicopter destroyers and was it required that all four be admitted for refit simultaneously or within allotted time periods of each other?

2. What yard or yards had the facilities to live up to the time conditions in the tender call?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The terms, as to times of refit, as set forth in the tender for the refits of the four helicopter destroyers were within allotted time periods of each other as follows:

	Commencement	Completion
HMCS *Skeena*	December 6, 1976	April 23, 1977
HMCS *Nipigon*	April 11, 1977	September 2, 1977
HMCS *Fraser*	July 25, 1977	December 16, 1977
HMCS *Ottawa*	December 5, 1977	April 28, 1978

2. The following shipyards who replied to the tender call had the facilities to carry out the work described in the tender call:Canadian Vickers Ltd., Montreal, Que., Davie Shipbuilding Ltd., Montreal, Que., Hawker Siddeley Canada Ltd., Halifax Shipyard Division, Halifax, N.S. However, Hawker Siddeley indicated that the work on the first two vessels coincided with other major contracts which precluded them from adhering to the schedule for these vessels. Also, two other yards, Marine Industries Ltd., Sorel, Que., and St. John Shipbuilding and Drydock Co. Ltd., St. John, N.B., did not tender because of coincidence of the work with other contracts.

PUBLIC WORKS—RENOVATIONS TO EXTERIOR OF LORNE BUILDING

Question No. 1,280—**Mr. McKinley:**

What was the final cost, and completion date, for the contract awarded on April 15, 1975 to Norman and Fleming Limited for renovations to the exterior of the Lorne Building in Ottawa?

Hon. Judd Buchanan (Minister of Public Works): Final contract cost $2,765,943.43. Completion date, 1976-08-27.

PUBLIC WORKS—RENOVATIONS TO CENTRAL HEATING PLANT, SHIRLEY'S BAY, ONTARIO

Question No. 1,283—**Mr. McKinley:**

What was the final cost and completion date for the contract awarded on April 18, 1975 to Domcat Construction Company Ltd. for renovations to the central heating and cooling plant at the Communications Research Centre, Shirley's Bay, Ontario?

Hon. Judd Buchanan (Minister of Public Works): Final contract cost $1,396,452.81. Completion date, 1977-02-02 (estimated).

CONTRACT FOR SCHOOL COMPLEX IN BELLA BELLA, BRITISH COLUMBIA

Question No. 1,284—**Mr. McKinley:**

What was the final cost and the completion date for the contract awarded on July 25, 1975 to Seaward Construction Ltd. to build a school complex in Bella Bella, British Columbia?

Hon. Judd Buchanan (Minister of Public Works): Final contract cost, $1,268,428.54. Completion date, 1976-09-08.

PUBLIC WORKS—BUILDING OF HOUSES IN FORT SIMPSON, NWT

Question No. 1,285—**Mr. McKinley:**

What was the final cost and the completion date for the contract awarded on August 22, 1975 to Dene Mat Construction Ltd. to build several houses in Fort Simpson, N.W.T.?

Hon. Judd Buchanan (Minister of Public Works): Final cost of the contract, $600,279 (estimated). Final completion date, January 31, 1977. The actual date of contract award was June 20, 1975.

PUBLIC WORKS—BUILDING OF ROWHOUSING AT YELLOWKNIFE, NWT

Question No. 1,286—**Mr. McKinley:**

What was the final cost and the completion date for the contract awarded on July 25, 1975 to Poole Construction Ltd. to build rowhousing at Yellowknife, N.W.T.?

Hon. Judd Buchanan (Minister of Public Works): Final cost of contract, $2,145,313 (estimated). Final completion

date, August 11, 1977 (estimated). The actual date of contract award was July 11, 1975.

PUBLIC WORKS—COMMUNITY HOSPITAL AT WATSON LAKE, YUKON TERRITORY

Question No. 1,287—**Mr. McKinley:**

What was the final cost and the completion date for the contract awarded on January 20, 1975 to Ray-Bilt Contractors Ltd. to build a community hospital at Watson Lake, Yukon Territory?

Hon. Judd Buchanan (Minister of Public Works): Final contract cost, $1,227,113.56. Completion date, 1976-06-10.

PUBLIC WORKS—CONSTRUCTION NEW BARRACK BLOCK, RCMP DEPOT

Question No. 1,289—**Mr. McKinley:**

What was the final cost and the completion date for the contract awarded on April 18, 1975 to Buildall Construction Ltd. for construction of a new barrack block for the RCMP depot in Regina?

Hon. Judd Buchanan (Minister of Public Works): Final contract cost, $4,249,953 (estimated). Completion date, 1977-06-10 (estimated).

PUBLIC WORKS—PAVING OF CARGO WHARF AND SHED AREA IN DALHOUSIE, N.B.

Question No. 1,291—**Mr. McKinley:**

What was the final cost and the completion date for the contract awarded on August 29, 1975 to Atlas Construction Maritimes Ltd. to pave the cargo wharf and shed area in Dalhousie, New Brunswick?

Hon. Judd Buchanan (Minister of Public Works): Final contract cost, $90,348.95; Completion date, 1975-08-18; The actual date of contract award was 1975-07-16.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 851 could be made an order for return, this return would be tabled immediately. The reason for making this request is the lengthy nature of the answer.

[*Text*]

LOTO CANADA—REGIONAL DISTRIBUTORS

Question No. 851—**Mr. Rodriguez:**

What are the (a) names (b) addresses (c) former occupations of all regional distributors for Loto Canada and how were these people chosen?

Return tabled.

[*English*]

STARRED QUESTIONS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be good enough to call starred questions 1,075, 1,076 and 1,258?

I ask that the remaining questions be allowed to stand.

[*Text*]

*COST OF CONSTRUCTION OF MARINE RAILWAY, BIG CHUTE, TRENT-SEVERN WATERWAY

Question No. 1,075—**Mr. Rynard:**

1. What is the estimated cost of construction of the marine railway at Big Chute on the Trent-Severn Waterway?

2. Have tenders been called for the construction of the marine railway and, if so, what is the name of the successful contractor?

3. What was the cost of (a) repairs (b) maintenance (c) staff of the present marine railway for the years 1970 to 1976?

[*English*]

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the answer to this question is as follows: 1. Estimated cost of construction of the marine railway at Big Chute—$3,300,000.

2. Tenders have been called for the construction of the marine railway. The name of the successful bidder cannot be released until contract negotiations have been finalized.

3. Costs for Big Chute marine railway: (a) From fiscal year 1970-71 to fiscal year 1976-77, the repair costs were $52,000 for an average of $7,428 per year. (b) From fiscal year 1970-71 to fiscal year 1976-77, maintenance costs were $26,000 for an average of $3,714 per year. (c) From fiscal year 1970-71 to fiscal year 1976-77, the staff costs were $247,740 for an average of $35,391 per year.

[*Text*]

*LOCK 43 SWIFT RAPIDS, TRENT-SEVERN WATERWAY

Question No. 1,076—**Mr. Rynard:**

1. For the years 1970 to 1976, what was the cost for (a) repairs (b) maintenance (c) staff of Lock 43 Swift Rapids on the Trent-Severn Waterway?

2. What was the total cost of construction of Lock 43 Swift Rapids?

[*English*]

Mr. B. Keith Penner (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development): Mr. Speaker, the answer is as follows: 1. Costs for Lock 43 Swift Rapids: (a) From fiscal year 1970-71 to fiscal year 1976-77, the repair costs were $37,400 for an average of $5,443 per year. (b) From fiscal year 1970-71 to fiscal year 1976-77, the maintenance costs were $70,000 for an average of $10,000 per year. (c) From fiscal year 1970-71 to fiscal year 1976-77, the staff costs were $171,085 for an average of $24,441 per year.

2. Total cost of construction of Lock 43 Swift Rapids was: $2,428,834.

[*Text*]

*FUNDY NATIONAL PARK—PROPOSED EXPANSION

Question No. 1,258—**Mr. Fairweather:**

Has a decision been made about the proposed expansion of Fundy National Park and, if so, on what date will an announcement be made?

[*English*]

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, no decision has been made about the proposed expansion of Fundy National Park.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

CONFEDERATION

ALLEGED FAILURE OF GOVERNMENT TO COUNTER THREAT POSED BY QUEBEC SEPARATISTS

Mr. W. C. Scott (Victoria-Haliburton): Having given the Chair the proper notice, Mr. Speaker, I ask leave, seconded by the hon. member for Norfolk-Haldimand, to move the adjournment of the House under the terms of Standing Order 26 for the purpose of discussing a specific and urgent matter requiring urgent consideration, namely, the failure of the Prime Minister to tell the House and the Canadian people what steps he proposes to take to counter the threat to Canadian confederation posed by the separatist government in Quebec. This question must be transferred from the public arena to its proper place, the chamber of the House of Commons, where it can be debated by the representatives of all the people of Canada.

Mr. Speaker: The hon. member gave the Chair notice, pursuant to Standing Order 26, of his intention to raise this matter. He has put forward a motion which relates to three questions. One has to do with a threat to Canadian confederation; second, the election of a separatist government in Quebec; and, third, the failure of the Prime Minister to inform the House—if I may quote from the motion—what steps he proposes to take to counter the threat to confederation, and so on. With regard to the first two questions, subparagraph (16) of Standing Order 26 reads as follows:

The right to move the adjournment of the House for the above purposes is subject to the following conditions:

(a) the matter proposed for discussion must relate to a genuine emergency calling for immediate and urgent consideration—

I interpret that language as meaning that an order for debate cannot proceed if the subject suggested, however important or pressing, does not constitute an emergency but is a matter of a continuing nature. The motion expresses an opinion—and I stress that it is the hon. member's opinion—that the result of the Quebec election constitutes a threat to confederation. But the hon. member must surely realize that if it is a threat to confederation, it is a continuing threat and not one of an emergency nature as envisaged in subsection (a) of section 16 of the Standing Order. Therefore, I would refrain from granting the special debate pursuant to Standing Order 26 on that basis. Furthermore, I am most reluctant to enter into an expression of opinion as to whether or not an election that has taken place in any province, being a duly lawful and proper election within the procedures known under our system, can, as an opinion of the Chair, constitute what is required by the Standing Order to be an emergency calling for immediate and urgent consideration.

● (1520)

In the final analysis, the hon. member moves from those two points to concentrate in the motion on the failure of the Prime Minister to tell this House what steps he is taking to counteract the results of this election. In that respect, while I would not say so except with the very greatest reluctance, since that is a criticism of the Prime Minister I would have to consider, under section (5) of the Standing Order, whether that is a very proper use of the allotted days that will be following.

I am very reluctant to use the escape under Standing Order 26 that so long as an opposition day remains there is a chance to discuss matters of importance, and therefore the rule ought not to be used to set up a debate. Standing Order 26 was changed in order, I think, to remove debate on whether or not the order should go, and to set up hours that could be used by the Chair which are auxiliary hours to the regular sittings. I think those changes were made in order to see that matters of national importance which ought to be debated in this chamber and which would not likely be debated in other ways could be debated under the application of the order.

I do not like to refute that by saying that since an opposition day may be coming up, that notice ought to be taken. I think that forces upon the opposition an obligation which is not natural with respect to the use of those days. However, that part of the hon. member's motion which seeks to criticize the Prime Minister for his failure to make a disclosure to this House seems to me to be a very proper use of one of the opposition days. Therefore, having regard to the two reasons that I cited previously relative to subsection (16)(a), and for the latter reason relative to section (5) of the rule, I do not see fit to set aside special hours pursuant to Standing Order 26 to debate the motion put forward by the hon. member.

Orders of the day.

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (METRIC CONVERSION) AMENDMENT ACT, 1976

AMENDMENTS TO WHEAT BOARD ACT TO FACILITATE CONVERSION TO METRIC MEASUREMENT

The House resumed, from Wednesday, January 26, consideration of the motion of Mr. Chrétien that Bill C-23, to facilitate conversion to the metric system of measurement, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, before I conclude my remarks I should like to correct a portion of my remarks appearing in *Hansard* for yesterday at page 2429. I am reported as having said: "No matter how you look at it, there is no benefit to the manufacturer." I thought I said: "No matter how you look at it, there will only be benefit to the manufacturer." That was one of the points I was trying to make. As a result of the insistence of the manufacturers, without thought for all other segments of the economy, we are being forced into a system without any consultation. It is a common complaint among farmers that they are being saddled with costs and the buck stops there, as it is often said: they are at the mercy of prices over which they have no control.

It is quite evident from the remarks made by other members from western Canada that the readings we have been getting from our constituencies and from people with whom we have been in contact the last little while are entirely different from those that the hon. member for Assiniboia (Mr. Goodale) has apparently been getting, or wants to lead us to believe he has been getting.

I referred to the confusion and to the case of a man trying to get directions. Present-day roads will be in existence for years to come and will be measured in terms of miles, not kilometres. Speedometers or mileage meters will be calibrated in kilometres; therefore you will not be able to give specific directions in years to come. Under the new system people will be bamboozled for years to come. In fact, we will be using two systems. That in itself will complicate matters.

The fact is, as other people have said, that this change will not produce one bushel more. In fact, it will only add to total cost; it will add nothing to efficiency. Replacement parts for many machines will no longer be available. I know for a fact, from past experience, that machinery companies practice planned obsolescence; they do not intend to manufacture any item to last longer than they feel is necessary. They are the ones who make the decisions. As I pointed out yesterday, you cannot even replace a simple thing like a rim by using one from another machine; you have to buy the rim made for the machine. On our farm I believe at the last count there were like 115 to 120 tires around the place, so one can imagine the number of rims required. I am sure other farms have more, or perhaps less, but the fact is that in many instances these rims are not interchangeable.

Metric System

Manufacturers keep insisting that if they are more competitive and can break into world markets, their cost of production will go down. If it is good business for them to standardize in terms of the rest of the world, then we as consumers should demand of the minister—and he might consider this—that legislation should be brought forward to compel manufacturers to give us something in return. I should like to see the minister come forward and insist that manufacturers standardize on items such as chains, bearings, sprockets, and so on. These items differ in size by a fraction of an inch, which means that one rim will not fit over another hub. This is a deliberate attempt on the part of manufacturers to make you buy their parts only, and there is no need for that. There should be standardization. If we are expected to pay the price of this conversion, surely we should expect something from the manufacturers. Therefore, I would ask the minister seriously to consider whether he can compel these manufacturers to standardize.

For example, why is it that a car cannot use the same type of windshield over a number of different model years? Instead, the manufacturer adds a fraction of an inch, or makes it slightly smaller, or gives it a little more curvature so that it cannot be used in a car of a different year should it need replacement. As far as I am concerned, this would help keep down the fires of inflation. Certainly it would reduce costs in many areas.

In many instances people are struggling for survival, as are many operations. We witness this day in and day out. Many people are not fussy about the newness of a given piece of equipment or instrument; they are more concerned about its serviceability. This is particularly true of trucks. Many farmers use trucks, but in this regard they do not get the co-operation from the manufacturer which the manufacturer expects from the consumer, particularly in the agricultural field. Several pelleting plants in my constituency sell their product to Japan. They tell me they never had any difficulty selling their pellets to Japan under the old system. If Japan wanted quantities in metric tonnes, they could comply with that request. There has never been any confusion. So why in the world are we suddenly faced with this Latin conversion which will simply add to the total cost, and in many instances, will add unnecessarily to the existing confusion? It will add to the cost as a result of delay and inefficiency.

• (1530)

It is bad enough for the farmer to have to sit down and make the calculations, but if he sends his man out into the field on the machinery, you can imagine how much attention that man will pay to proper measurement. I have had some experience along this line, and let me assure you that I have had to re-seed quite a few acres in rapeseed because the proper calculations were not made. I suggest this new system of measurement will only add to the total cost of operations. There will, no doubt, be additional confusion, and perhaps that is why a request I have heard often is being made by people who have considered this matter. The suggestion is that we adopt an interim measurement so that between the time we

remove the old bushel measurement until we adopt the equivalent metric measurement we will have a designated term such as a "kilshel", or whatever name you want to attach to it, which will be approximately two-thirds the volume of the old bushel. Instead of 60 pounds, it will be 40.

In this way we would have accurate, but simple, calculations, thereby minimizing the amount of confusion among people who have to make these calculations. This is the suggestion made by some of the people who have given this matter real consideration. I have not given it much thought, personally, but that is a suggestion I have heard from farmers. They feel there should be some measurement during the interim or transitional period. In this way we could move gradually to the new measurement. This interim measure could be introduced on a temporary basis.

Many elevator agents are presently concerned because they feel many errors will be made. I know that eventually these errors will be caught at the head offices of the respective companies, but this will only add to the confusion. Unless the farmer is always on his toes, there will be an additional loss of time. It might be easy for the farmer to double-check on these calculations during the winter months, but from the time of winter break-up to the first snow, farmers are too busy to take time off to check measurements, calculations and payments for the various grades they have sold.

I appeal to the minister to set up a system to monitor pricing in retail outlets. I mentioned the incident involving the shaving cream with three different measurements and three different prices. We cannot expect everyone to carry a calculator. If we did, we would be like a bunch of robots. However, the department should involve itself in this problem. If there is a price increase that is too high, an inspector might usefully spend some time checking the price in various outlets. This would be appreciated not only by housewives but by consumers. In the case of coffee, sugar and almost anything else, many retail outlets have taken advantage of any change to increase the price, which never again comes down.

I conclude, Mr. Speaker, by assuring the House that the farming community is not enthusiastic about this change. We feel it will add to confusion, with absolutely no benefit.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I find it odd to speak now on this bill on metric conversion, because I had the opportunity to speak on the subject when the bill was originally introduced in the House a number of years ago. The hon. member just mentioned one problem which we experience as the result of a conglomeration of sizes of parts for farm machinery and implements. We all know about coarse threads, fine threads, various pitch threads, metric threads, standard threads, pipe threads and others. Obviously, it is an expensive proposition for the farmer to maintain a supply of parts for his equipment in order to make normal repairs. One reason I am in favour of going to the metric system is to eliminate the problems we have as a result of these various sizes. By adopting the metric system we would standardize things such as nuts and bolts.

[Mr. Korchinski.]

I have in the past often found that when you ask a civil servant to do something, he quite often does not do what you ask, or does something that goes beyond what is required or is in any way advantageous to you. In fact, very often the civil servant creates more problems. Having regard to what the last speaker said in respect of standardization, one of the problems farmers are now experiencing has been expressed by wheat pools, farm organizations and others. They have suggested that unless civil servants pay attention to the needs of the consumer, the consumer will be ripped off to an extent never before experienced. The rip-off already exists to a degree or we would not have this suggestion to simplify the complex problem involving measurement. In simplifying the problem we may be encouraging a rip-off against the farmer.

Let us consider tire sizes for a moment. Considering the number of changes that have been made in the last ten years, it is a wonder that anyone can buy replacement tires for his automobile, truck or tractor. If the change continues, soon we will not be able to buy tires that will fit our rims. Perhaps we will require two sizes, one to fit the rims that originally came with the car, and one as a replacement size. This is only an example; there are many things like this. There is a tremendous opportunity for the government to prevent this rip-off by industry in respect of size changes. Let me give the example of the antique car. If you want parts, you must have them manufactured specifically for the automobile, at tremendous cost.

Let me refer to the propaganda put out by the minister respecting the agricultural industry going metric. It starts out by suggesting that in 1977 Canada and the United States will be converting to the metric measurement system used by the rest of the world. That is a lot of bull; it is not true. The rest of the world never used this system, and in this respect the government is being totally dishonest. What happened was that many countries got together and established a metric unit of measurement. For years Italy, France and many European countries have used the metric system in respect of temperature. We have developed a new international metric unit of measurement for temperature, and we are doing this in a number of other areas. We are not accepting the system that was in use in other countries, and I think people should be told that. What we are doing—and we have no objection to it—is embarking upon a world measurement system that is expressed in metric units. This will apply to countries which have been on the metric system even more than it will apply to this country.

● (1540)

People who thought they were talking about degrees of Centigrade in terms of temperature now find they are talking in terms of degrees of Celsius, which is a totally new unit applied internationally to the measurement of temperature. The Centigrade measurement was retained for the radius of a circle because the radius of a circle and temperature have no relationship to each other. The same is true of Pascal in the measurement of pressure, and many other things. There were obviously many units of metric measurement in use through-

out the world which were not the same as other units. We have designed new international units of metric measurement which all countries of the world have agreed to adopt. I do not think the government is aware of the criticism it is going to receive. It is saying that the farmer will have to change.

Mr. Speaker, I decided I was going to learn the Celsius scale and know what it was all about. When I looked at the barometer and saw it was 10 degrees below zero, however, I could not decide whether it was cold or was not cold. When I got outside I found I was wearing too many clothes, because the barometer was reading Celsius. After two years of looking at the stupid barometer I bought one that had both Fahrenheit and Celsius on it. Then I would listen to the radio to find out the temperature, and look out the window at my barometer to see what it said, and between them I could work out how cold it was.

In this country we have encountered a lot of problems with the introduction of bilingualism, but I do not think any of us would say that we were wrong in passing the Official Languages Act. It is a different thing, however, when it is implemented and John Doe is told that he has to become bilingual. I have only to recall my own difficulties with Celsius to realize how difficult it is for him. Now we are telling industry that it is to their advantage to make the conversion to metric.

Mr. Speaker, I do not have much sympathy with any difficulties the Canadian Wheat Board may encounter or any problems that may develop for the wheat pools. For the benefit of the parliamentary secretary, may I say that I am informed it will cost $400,000 or $500,000 for the Saskatchewan Wheat Pool to convert. When we start talking about the farmer going over to hectares and kilograms, however, I can foresee a great deal of unfavourable reaction.

I think it would have been possible for the government to have asked industry to label products with the old and the new measurements. In my opinion it is not necessary for the farmer to make the conversion. He can look over his 40 acres, but I do not think it is necessary for him to know that it is 13 or 14 hectares. To him it is a 40-acre field and he knows he is going to get 15 bushels to the acre from that field. When he takes the grain to the elevator, they will tell him the quantity in tonnes. In some of the publications sent to farmers there appears the sentence, "Your truck may hold tonnes". I suppose it depends on the size of the truck, but when he takes the grain to the elevator they will tell him how many tonnes there are.

The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) pointed out the legal problems involved in changing the basis of land measurement. It will affect all the deeds in existence. Acres will have to be translated into hectares. Mr. Speaker, I do not think that is necessary and, indeed, I do not think it will happen. When the farmer gets an invoice from the elevator, the amount will be expressed in tonnes, and when he gets the invoice for his milk it will be expressed in litres. Packages are now labelled in both French and English. Maybe it would be better not to have the English, because in that way we would quickly pick up a knowledge of French.

I know I can always find my way to the washroom no matter what language it is in. Indeed, in some of the airports they use symbols and you do not even need to know the language. The farmer would be assisted if there were a translation to metric on labels. Then he would not have to make the conversion himself. In one generation of teaching children the metric system, the conversion will be made, and I have no objection to that. What I object to, and what I think the farmer objects to, is the demand that he make the conversion himself. I do not think that is necessary. Civil servants see this as a simple problem, as they saw the two official languages as a simple problem. They said that everybody would speak both languages, but now they find that even they are having trouble mastering the second language. The average person will still function in the way that is easiest. The distance from the floor to the ceiling is still approximately eight feet, and when you get a two by four we all know what it is: no matter what the new equivalent may be called, to most of us it will still be a two by four.

It may be important to the industry what the new measurement is but it is not important to me. The wall is still going to be a certain thickness no matter how thick the studs are. The farmer will be required to make the conversion in the amount of grain he sows, the amount of fertilizer he uses and the amount of land he owns. He will not convert to metric terms but, rather, back to the terms with which he is familiar. Therefore, I suggest that the government should be very careful about forcing anyone to make these changes.

● (1550)

In this booklet we are told to go out and buy a 10-metre and 30-metre tape. What for? Farmers will build their buildings as long, or as wide, as they want them, no matter what the tape is. They understand how long they want their building to be, and they can do that with the old tape: they will not buy a new one.

I suggest that the conversion should be gradual, and it will be done successfully if we do not force it, if we do not demand that people become confused. There is no reason for the elevator not to use the two systems, because the elevator people have the assistance of a computer. The next generation will learn the metric system in school, and those who are not familiar with the metric system and are not able to learn it should be allowed to use the system which they know; and even if fractions occur it will not concern them very much in calculating bulk shipments.

I have been very interested to read that by such and such a date the conversion must take place, or that such and such is the earliest completion date, or that the absolute completion date must be before such a period, and so on. Why is that? I do not know why it has to be. Perhaps the minister can explain why in some areas conversion must take place by a certain date. We have not used the metric system in this country previously, yet our grain sales to international markets were made under the metric system simply because that was the way it was done. It did not bother anyone shipping grain that

that was the way it was done. This was done by computer, and I suppose they assumed that if the computer would accept it, everyone in the country would do the same. However, I am scared they will not.

I would like this conversion to take place as quickly as possible and with as little difficulty as possible, but we must not insist on these changes being made. There was no need to rush, in my opinion, to convert the dairy industry to the metric system. I spoke to some of the dairymen and they told me that when they put out their new containers they had to record a lot of information on them. Then they were refused a licence because in the next stage of the process they had to add some more information. It did not make any difference to the consumer who knew what a quart was and who did not care how it was processed through the machines. It is this kind of insistence on conversion by a certain date that, I am sure, has created some unnecessary expense that could have been avoided quite easily.

So I express the hope, as a practical politician—which most of us here are—that if the civil servants have done a good job, part of their job will be to explain to the people here the necessity of using the new metric units which are used in the international community. Their second responsibility is also a big one. If you take all the quarts of milk off the shelf and replace them with litres, I am not sure whether they will be bigger or smaller. If the housewife does not know whether it is bigger or smaller and wants to know whether she is paying the same amount for the milk, the government has the responsibility to police the pricing so that she does not get gouged in the changeover. This also goes for farm machinery. If we find that a new machine becomes obsolete in two years because, due to the conversion to the metric system, the wheels or the tires cannot be replaced, the public will feel gypped.

The minister and the civil servants have a responsibility to set up an enforcement branch in the department which will ensure that we do not get short-changed when the conversion is made. If a product is smaller, shorter or lighter, we will not know whether we are paying too much or too little for that commodity, because of the change. Unless we know that, we will feel cheated. In fact, we already think we are. So it seems to me that it is the responsibility of the minister and his department to police this matter for us until the conversion is completed.

I do not think it matters a hoot whether it is a bushel, a kilogram or a ton. A farmer looked at a bag and he knew that if he had wheat in it, it was heavier than if he had oats. If he looked in the bin, he knew there would be so many bags in it. In western Canada they look in the bin and they say it will cost so much when it goes to the elevator. The farmer was used to that, he was familiar with what was there, and it will not matter to him whether we have converted to the metric system unless only the new measurements are put on the bin, measurements with which he is not familiar so he will not know whether he is overpaying. If he thinks he is, the government will never sell that system to him.

[Mr. Peters.]

In certain areas the conversion does not have to be pushed quickly. There should be no turning back from the metric system, but I am concerned that we in Canada are trying to show the United States that we are better and faster at converting than they are. The backlash against the government and the Liberal party will not be too bad in western Canada because it will affect only a couple of members, but at the least it will produce a heck of a lot noise, and it may affect some of us in eastern Canada as well. We do not need to be the showplace of the North American continent in metric conversion. Let us proceed with it as fast as acceptable.

I am very interested in hearing what the minister has to say about policing the changes that are made, so that there is no rip-off. It is evident that there could be rip-offs in replacement parts of equipment. Some increased costs may be justified, but it is the minister's responsibility to ensure that there are no rip-offs. I hope he can tell us that a number of people in his department will be continually policing what is being done in industry to protect the consumer after the conversion.

Mr. Peter Elzinga (Pembina): Mr. Speaker, with regard to Bill C-23 I, too, wish to register some criticisms and concerns about conversion to the metric system on behalf of the people I represent in the Pembina constituency. In spite of the fact that one might be in basic agreement with the position that Canada should join most other peoples in the world in establishing a unified system of measurement, there are, nevertheless, a number of concerns which deserve comment and study. There can be no doubt about the fact that such an important change will be the stimulus of much frustration during the transition period. While some Canadians will be hurt more than others by the conversion to the metric system, eventually all will be affected by way of increased costs to consumers in the form of increased prices. The exact impact remains an unknown quantity, but it is certain to contribute to an already serious inflationary problem. There have been no estimates of the cost, but in the United States conversion cost estimates range from $40 billion to $100 billion. At the usual one-tenth differential between Americans and Canadians, that means between $4 billion and $10 billion for Canada.

● (1600)

Many small firms may be faced with undue expenses in adapting to the metric system. Added costs will affect their competitive status and may disrupt profits for a year or two. There is the added possibility of business failure in some cases. Although the metrication process is not as far advanced in the United States as it is here, a U.S. Senate bill on metrication was introduced on January 15, 1975, with provisions specifically designed to help small businesses. The bill would enable the administration, in consultation with the secretary of commerce, to make loans to them either directly or in co-operation with banks or other lending institutions through agreement to enable them to participate on an immediate or deferred basis. The American bill would also authorize the small business administration—a U.S. government agency which provides business loans—to make grants to individuals to defray non-

reimbursable expenses for tools, and so forth, to a maximum of $2,000 per person. It is suggested that we introduce an amendment along these lines.

The guiding financial principle of this government is to let the costs lie where they fall. This is regarded by many groups, manufacturing concerns and individuals, as being most inequitable. It is not in the national interest for some groups to suffer while others benefit under a policy which is supposed to serve the long-term good of all Canadians.

In a good many ways this debate is useless because the government, in its 1970 white paper on metric conversion, committed Canada to converting from the current inches-pounds system of measurement to the international system based on metric units. However useless this debate may be, we as members of parliament have an obligation to register our protest on behalf of those we represent. Who will this measure benefit? One thing is for sure; it will not benefit the farmers of this country.

Comments have already been made by other speakers about the tremendous cost of conversion to the metric system and the disruption of changing from acres to hectares and changing the traditional ways of the farmers who have been brought up to know certain measurements. All these things have become part of the culture of our people. This sudden change hits our farmers first. I cannot understand the rationale behind this change. The government states it is because our commodities are sold on the world markets and that most of our trading partners use the metric system. I suggest that the point of export is where we should make the conversion to the metric system, and not at the farm level.

The hon. member for Mackenzie (Mr. Korchinski), the hon. member for Red Deer (Mr. Towers), the hon. member for Vegreville (Mr. Mazankowski), the hon. member for Athabasca (Mr. Yewchuk), the hon. member for Calgary North (Mr. Woolliams), and the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) have all expressed reservations about converting to the metric system. They have done a superb job in this debate expressing the views of our western farmers. So rather than prolong this debate, let me close by expressing my hope that this measure will be given further thought and that the minister will give serious consideration to the realistic proposals made by the hon. members I just mentioned.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I will limit my observations to the part of this bill dealing with prairie agriculture and with the Prairie Grain Advance Payments Act, and point out the much more serious and far-reaching implications which might not occur to most people involved in the changeover.

When considering adopting the metric system, it would be helpful to think about how our present system came about. Originally, a yard was the length of a man's arm, or to use a more modern phrase, the length of a person's arm. When people related the distance of a yard in their own minds they could at least look at their arm to assess how long it was. But what is a metre? If my memory serves me correctly, the length of the metre was decided by Napoleon and the standard measurement is in some Paris institution. I do not know whether it is on public view, but it is something most of us have never seen and very few will ever see. To us the yard represents something which is tangible; it is approximately the length of a person's arm.

It might be convenient to some to use a kilogram, which is something like 2.2 pounds, or a ton, but a ton is far too big for an individual to estimate properly. A bushel was something a man could carry. He could visualize a bushel basket, but could he visualize the equivalent in metric terms? Of course not! We have ten kilograms, 20 kilograms or 30 kilograms, and we end up with a ton, which is approximately 60 bushels of wheat or 70 bushels of barley. It cannot be visualized. The metric system is a fine thing for large grain companies when they handle boxcars, shiploads or unit trains of grain. The ton is a workable unit for them, but it is rather ridiculous for the government to argue that we need a changeover to sell our grain. We have been selling it metrically for decades in the world markets.

It is interesting that the people who agree with this change are the grain handling companies, of which there are just a few. As the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) said, it would be fine in air-conditioned offices where there are computers to deal with the metric system, but the farmer out on his windy acres with the rain pouring, or with dust in his eyes, would find it difficult to use the metric system. It is not easy to use the metric system at the farm level because there are certain inherent problems. This part of the bill deals with western Canada, and western Canada was surveyed on the mile square or the one mile by two miles square. Everyone knows that a section is 640 acres, more or less, depending on corrections necessary for latitude and longitude. A quarter section is 160 acres. An acre is something we can visualize, but with this bill we would have hectares, which bears no relationship to anything. If this bill could make two plants grow where only one grew before, it might make some sense; but obviously agricultural land does not get any bigger just because we change from acres to hectares.

The ton measure is just too large for most farmers to understand. When I look at daily grain prices, I look at Chicago prices which are still quoted in bushels. Canadian prices are quoted in tons. The one ton price may be $289, whereas the bushel price may be $7, which is easily understood. To those accustomed to small measures, the ton is far too large a unit. This is one of the great difficulties with this metric system at the farm. In the grain trade you have several large companies staffed with competent people. These companies are different from the grain growers, and to the 200,000 permit-holders this is an entirely new system of measuring, a system to which producers will not easily adapt. The new system will come into common use somewhere down the road, but not without trouble. I contend that there is a serious possibility of loss of production. Certainly, the new system will not lead to any increase in production, and there is the distinct

possibility of loss of production unless certain changes are made in accordance with the representations of the farming industry.

● (1610)

I hope, first, that the term "hectare" will be dropped and "acre" retained. There is no valid reason for not doing this, and it makes sense. Why can we not retain the measurements by "bushel"? The proposed system in this regard makes no sense. For example, the grain elevator agent who must deal with many farmers waiting to unload their grain will need to do much juggling with figures, looking up tables, and so on. He will buy by the ton, then measure the amount of grain loaded on the tank car, or boxcar, in bushels, because the grain transport system for a number of years to come will continue to use the bushel as a unit of measure. I understand it does not yet plan to change over to the metric system.

However, when the grain arrives at the other end of the line it will be measured according to a metric scale. Why cannot the grain continue to be bought in bushels so the elevator agent can continue to ship it in bushels? If the conversion to the metric measure must be made, why cannot it be made at the higher level, so to speak—the other end of the line?

Civil servants who planned this bill have not thought through its full effects. For example, how will the farmer learn to measure his new volumes of fertilizer and herbicide? Herbicides in spray form are applied in small volume. You are dealing with small units, say two or three ounces in ten gallons of water per acre, or perhaps up to 16 ounces of herbicide in 20 gallons of water per acre. It is all too easy to make a mistake in the application of herbicide. If they are applied too thinly, money is wasted because the herbicides will not do the job; but if more than the required amount is applied, your crop is ruined. Many crops have been lost through the overapplication of herbicides. The question of fertilizer volumes is also important.

How are farm implements to be altered? Drills are governed by acre meters, not hectare meters. These drills are mostly American-made. American manufacturers dominate the market and we can expect such drills to remain on the market for a long time. How can a farmer calculate how much seed or fertilizer he must use? He will buy his fertilizer, presumably, by the kilogram and then calculate how much his drill, which will be governed by acre meter, will require for a given area.

It is useless telling the farmer to get a hectare meter; he will not do it. As I have said, 90 per cent of drills are American-made, not Canadian-made. So far as I know, only one company in this country makes drills, Co-op Implements. Therefore, you will not see many metric drills in western Canada or eastern Canada until they are made in the United States, because the farm implement business is really continentwide. It is important to recognize this. For example, at present seed drills come with six-inch, seven-inch and eight-inch runs; I suppose they come in other sizes too. We will not get equivalent drills set up in centimetres, say with 2.5 centimetres being the equivalent of one inch. You will not see a 15-centimetre, 17.5 centimetre or 20 centimetre drill. Drill sizes will still be measured in inches because the North American market as a whole will still demand drills calibrated in inches, at least until the whole of this continent changes over to the metric system.

We send across the border much seed grain, including seed wheat, seed barley and forage seeds. The Department of Agriculture is anxious to increase our exports of forage seeds to the United States market; it is a good market for our clovers and legumes. But passage of this bill may help diminish our United States market because we shall export our seeds in bags labelled in kilograms. The American farmer buying our seed will not be happy. All other things being equal, he will buy the bag of seed labelled in units of measurement with which he is familiar. Therefore, passage of this bill could erect a trade barrier to exports to the United States market, the market to which we export most of our grain seed.

In essence, therefore, the proposed changeover has considerable potential for harm to production. Perhaps the damage will be impossible to measure. In any event, this bill will not in any way lead to increases in production. As I have said, it has a potential for decreasing production. Potentially, it could hurt the farm machinery industry, particularly of western Canada. I am referring to that part of the industry which sells machinery in the United States market. It is well known that up to 80 per cent of farm machinery produced in western Canada is sold on the American market. Therefore, that part of the industry must stay in tune with the American market and do what that market wants, not what civil servants in this country and the metric commission want.

This legislation will also make it difficult for farmers to calculate how much they are getting for their grain or produce. The farmer has been used to selling a bushel of grain, say for $3, a bushel of barley for $2, flax for $7 and rapeseed for $6. Some look on this bill as a conspiracy on the part of the grain industry to confuse the farmer because he will now be dealing with tons of grain. He will get so much money for each ton of grain; and one ton represents roughly the equivalent of 60 bushels. Certainly, the new system will make it more difficult for the farmer to know, on a day to day basis, if he is getting more, or less, for his grain or other produce. Therefore, the new system will bring only confusion to the 200,000 permit holders of western Canada.

It makes no sense to change the survey system from acres to hectares. So long as the grain transportation system uses the bushel as a measurement, grain should be measured in bushels. As an elevator agent told me, he must buy grain by the ton, then ship it by the bushel. He thought the system was stupid and that we were no further ahead. He said that the new system would only create more mistakes and there would be more difficulty all along the line.

Perhaps this legislation is the government's answer to unemployment. We shall need to employ more people to convert measurements from one system to another. However, until the transport system involving the hauling of grain changes over to the metric system, much of this legislation makes no sense. I am alluding to the problems of producers, the way elevator

agents will buy the grain and ship it. Surely it makes no sense to buy by the ton and then ship by the bushel. Remember, relatively unsophisticated people will be doing the measuring in a cold, windy elevator. The agent will buy by the ton, then turn around and ship the grain out by the bushel because the transportation system will still use that unit of measurement.

● (1620)

Surely the railroads of this country are better able to cope with the metric system than the individual farmer. Until they do, it is surely not the time for change. I repeat that in order to be uniform, somewhere down the road we will no doubt change to the metric system. There are many disadvantages to the metric system that we will only realize as we begin to use it. However, change for the sake of getting ahead of the Americans in the agricultural field does not make much sense through this aspect of the legislation.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I listened with interest yesterday to the hon. member for Assiniboia (Mr. Goodale) when he spoke in this debate. If you refer to *Hansard* you will note that at page 2422 he had this to say:

First, it should be noted that this change has a broad and virtually unanimous base of support in the farm community.

He later said:

I did not find the degree of antagonism which they perhaps see, or perhaps it would be more proper to say that they would like to see and would like to foment.

In the latter quote he is referring to the members of the opposition. I did not find that type of support in my constituency. The support was far from unanimous. If I repeated in this House some of the remarks made to me by farmers, Your Honour would undoubtedly call me out of order. The hon. member stated that members of this party were trying to foment antagonism with the farmers in connection with this bill. If there is any antagonism on the part of the farmer, that antagonism has been caused by the present government with its LIFT program, cheap barley sales and failure to appreciate the problems of the livestock industry in western Canada.

The hon. member for Assiniboia also indicated that there was considerable saving to be made by converting to the metric system. As reported at page 2423 of *Hansard*, he said:

I want to deal, as well, with the question of cost, which has been mentioned, or more particularly with cost savings. A lot of people have been skeptical about the matter. In response to that skepticism I have asked the committee of the Grains Council to demonstrate clearly where the cost savings are, and it has produced a detailed analysis which indicates an annual saving to the grains industry in the order of $1 million.

That is an interesting statement, but the hon. member did not produce any evidence in this House to support the findings of the grains group. He also spoke of education. I wonder what the cost of documents of this kind is to the taxpayers in order to try and educate the farmer with regard to the metric system. On December 21 the minister spoke in the House in support of this bill. I wish to quote from page 2229 of *Hansard*, where he stated:

Metric System

Increasing Canada's exports is also one of the key reasons why it makes good economic sense to go metric.

I challenge the minister to prove that the transfer to the metric system in the farming community will add one bushel of wheat to production, or one kernel of grain as far as our exports are concerned. For many years the grain trade has been selling on the export market using the metric system. Therefore, at this time it will not add to our exports.

What does this bill do? Basically, the bill amends the Wheat Board Act, the Prairie Grain Advance Payments Act and the Western Grain Stabilization Act by substituting the word "hectares" for "acres" and "tonnes" for "bushels". Yesterday the hon. member for Calgary North (Mr. Woolliams) spoke at length on our land titles system, the Torrens system. It is a system that has been effective and efficient over the years. It is one of the best registration systems in the world.

The land titles system is within the exclusive jurisdiction of the provinces and can only be changed by the provincial legislatures. To do so would involve the changing of hundreds of thousands of titles at a cost of hundreds of thousands of dollars. However, if this bill goes through as it is, and undoubtedly it will unless the government accepts some amendments, hectares will be forced upon the farmers in the west, with the result that eventually the western land titles system will have to be changed. What will we then have in Canada? We will have two systems—in effect, a dual system. The Canadian Wheat Board area, namely the prairies, will be using hectares for the measurement of area and the rest of Canada will be using the acreage measurement.

Land in western Canada was surveyed many years ago before it was homesteaded. It was surveyed into mile-square blocks of 640 acres. Then, of course, there is the half-section, the quarter-section and the legal subdivision. These units cannot easily be converted to the metric system. For example, if my mathematics is correct, one section, or 640 acres, will equal 258.8080 hectares.

The farmer in western Canada has used the measurement of acres all his life. He can walk into a field, look at it and say "there are 'X' number of acres in that parcel of land." It is a system with which he is familiar. He can make one pass with a piece of machinery through a field and, knowing the width of the machine, can say that he has cultivated, combined or swathed "X" number of acres. However, if he has to use hectares, what will happen? The powers that be have suggested a simple method. I have here a pamphlet entitled "The Metric System for Farmers". It states:

Probably the best way for you to visualize a hectare, is to put red flags on the fence posts at the four corners of an area measuring one hectare. Each time you look at these flags you will become more familiar with the hectare.

I wonder whether the government is planning to supply red flags to the farmers in western Canada. There is also an effect on the calibration of sprayers used for spraying pesticides and herbicides. The sprayers are all based on acres. Herbicides and pesticides are all packaged in Imperial measure. What will happen when they are sold by the litre instead of by the gallon? The farmer has a choice. He can take a gallon-measur-

ing can and pour the pesticide or herbicide into the can, thus measuring a gallon, but this is a dangerous practice because in most cases he is dealing with a dangerous poison which must be handled with care. Alternatively, he can make a calculation to convert litres or kilograms into the Imperial system. This is a calculation which involves fractions or decimals and there is a great possibility of error in doing the calculation. If there is a mistake and the chemical is too strong, it will kill the plant. If it is not strong enough, it will be ineffective. An error in calculation could be very costly.

● (1630)

If a farmer buys registered seed, he will be buying it in kilograms. For comparative purposes in measuring the success of his crop from one year to another he will have to convert tonnes per hectare into bushels per acre. What will the bill accomplish in its present form? It will do nothing except cause inconvenience and frustration to farmers. It will add nothing to their efficiency. It will not add one penny to their sales.

I ask hon. members to examine the bill carefully and read some of the material which has been published in connection with it. I quote from a pamphlet entitled "Metric Conversion and the Grain Market" put out by the Canadian Livestock Feed Board and having to do with grain transportation. It reads in part:

> The grain transport industry will continue to use the present system for some years yet. No official date has been set for the rail and road transport systems to go metric in freight rate quotations. When the metric system is introduced, the maritime tariffs will be posted in both Imperial and metric terms.

As the hon. member for Dauphin (Mr. Ritchie) said a few minutes ago, the elevators will continue to purchase grain in tons and convert in into bushels when it is loaded on to the cars. Subsequently it will be reconverted into metric form at the export end. Since this is the situation, why should it be necessary to move the metric system back into the farmyard? Why not buy from the farmer in bushels and let him continue to use acres? We see here another example of a government of bureaucrats and academics interfering with the producer. I must say that in this case they are aided by the grain companies. Some years ago, the Prime Minister (Mr. Trudeau) said the government had no place in the bedrooms of the nation. I say the government has no place in the farmyard. I do not object to metrication beyond the local elevator stage. This makes sense; The grain trade wants it and has been using it for years in connection with export markets. But for heaven's sake leave the producer alone. I might say that it is our intention, when this bill gets to report stage, to put forward amendments which would have the effect of letting the farmer continue to use "acres" and "bushels".

The minister and others on the government side have indicated that there is an urgency attached to this measure and that the bill must be passed by February 1. Presumably, Mr. Speaker, the work which has been done in the grain trade and by the Wheat Board in converting to the metric system has gone on for a considerable time, possibly for some months. Why has the government waited until the eleventh hour before bringing in this legislation? Surely parliament is entitled to have the opportunity and the time to discuss such an important piece of legislation without being under pressure. I like to think that we live under a democratic system in this country, but it seems to me, when I see the government legislating increasingly by way of regulation and bringing in bills at the eleventh hour, the subject matter of which is a fait accompli, that the virtues of our democratic system can no longer be taken for granted.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I want to register my protest against this type of legislation. We come back to Ottawa and find ourselves called upon to discuss television in the chamber and conversion to the metric system. Surely, with the country facing the desperate problems of which we are all aware, there should be more substantive issues to be debated here.

Bill C-23 makes changes in a number of acts including the Canadian Wheat Board Act, the Gas Inspection Act, the Oil and Gas Production and Conservation Act, the Prairie Grain Advance Payments Act, the Regional Development Incentives Act, the Two-Price Wheat Act, the Weights and Measures Act, and the Western Grains Stabilization Act. This is an important bill for grain producers in particular and for agriculture generally. We in western Canada know that "metric day" for the grain industry is February 1, 1977. Yet here we are debating second reading of this bill on January 27, 1977, with just a few days to go. The bill has to be passed before all the arrangements which have been made are legal.

The government knew this long ago. We might well ask why such a long delay has occurred. I do not know where all the other industries are going in this metric conversion process, but I do know that the grain industry is going to get there first. The government has so little respect for agriculture that it has not seen fit to appoint a new deputy minister to the department. We have been without one for two months following the disaster of the last deputy minister.

This is something which must give producers across the country cause to ponder. Where are we in the grain industry going? After the expenditure of hundreds of millions of taxpayers' money on hopper cars, railway trackage and improvements on the west coast, I find that though we used to export 30 million bushels a month from Vancouver, the average so far this year has been 17 million bushels a month—and this is without interference from labour problems or railway problems. With a little more help like metric conversion we shall be right out of business. We find vessels waiting at Vancouver and giving rise to demurrage charges up to $10,000 a day in some cases. All this has to be paid by the western farmer.

We are told by the government that metric conversion is good for us. Well, Mr. Speaker, we do not really need much more of this kind of help from the government. The very disappointing final payment on bread wheat is one small symptom of the malaise in the great grain industry that we used to have. Metric conversion is just another cross for the western producer to bear, another millstone around his neck.

● (1640)

As has been said before, our customers have always been able to buy our grain on the basis of metric tonnes, short tons, long tons—any way they wanted. I see no reason to go right back to the producer to change our system. Not only will this change not produce one extra bushel of grain or generate one dollar more of revenue for the producers, but it is going to cost them plenty. It will cost at least $1,000 for every country elevator that we have. We have 3,000; that amounts to $3 million. It will cost each producer at least $100. We have 150,000 of them, so there is another $15 million. Throw in the terminal conversion and you have $20 million right off the bat. That is a lot of money to spend at this time.

Mention has been made of the fact that our land has been surveyed under the Torrens system of miles. We have had a ten-unit system in western Canada for years. We have had telephone poles down every road allowance at steps of ten acres per half-mile. Generations of farmers will be converting back to acres and to bushels because they will see these measurements every time they step on to their land. The people of western Canada are not going to ask for so many litres of gas for their cars; they are going to ask for $5 or $7 worth of gas. They will find their way around this, and I suggest the farmers will do the same thing.

I plead with the government to exempt land measurement from the metric conversion, just as the United States of America will do. It is the same old, familiar story and it is one of the reasons why this government is in so much trouble today. The person required to pay the shot is having less and less of a say as to how his money is being spent. All we hear is that the government knows what is good for us.

I do not see why we cannot have voluntary conversion at the producer level, Mr. Speaker. I can see companies like Massey-Harris, Ford, machine companies and international manufacturers pushing this sort of a deal, but I cannot see why we do not implement it slowly and have voluntary conversion at the producer level.

The hon. member for Moose Jaw (Mr. Neil) has already said that there is a great difference between sitting in a nice, warm office with a calculator, and standing out in a cold, dusty Saskatchewan field trying to calculate chemical conversions. Ounces and acres are well understood in Saskatchewan; it is a tried and true system. One mistake in the calculation of a chemical formula and a farmer's crop could be gone.

I want to go back and refer to some of the information that has been put out and supplied to producers across the country. I have one pamphlet which is headed "Getting Ready for Metric Conversion", and it reads as follows:

How many tonnes of wheat, barley, or oats will your truck hold?

Simple! . . . Suppose you find the truck box is 246 cm by 524 cm, or in metres that's 2.46 m by 5.24 m. Calculate the area of the box floor in square metres by multiplying 2.46 × 5.24 and you will get 12.89 m^2.

Now, say you have a level load of wheat that is 1.20 m. (120 cm) deep. How many tonnes are in the box? That depends on how much volume of grain will give one tonne. So you need to know the volume, which is easily found by multiplying the floor area (12.89 m^2) by the depth (1.20 m) and you get 15.47 m^3.

How many tonnes in 15.47 m^3 of wheat? This table will help.

Then a table follows. It goes on to say that using the same table a farmer can calculate the depth of one tonne of grain in his truck box in this way:

—We have a floor area of 12.89 m^2 that will be loaded with wheat that has a volume of 1.30 m^3 per tonne.

To find the depth of one tonne of wheat, divide its volume by the area of the truck box floor—

In the particular case cited you take 1.30 metres, superscript 2, over 12.89 metres, superscript 2, and you get 0.10 metres, or 10 centimetres. The pamphlet continues.

For a truck box like the one in our illustration, a measuring stick marked at 10 cm intervals will indicate how many tonnes of wheat the truck holds.

I hesitate to repeat this, Mr. Speaker, because it was referred to by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), but it does fascinate me.

You can use a broom-handle or some other straight stick to make a measuring stick for each crop you handle. Remember, each stick is good only for the truck (or bin) for which it is made.

Mr. McKinley: You will have to carry around a golf-bag full of sticks.

Mr. Hamilton (Swift Current-Maple Creek): Yes. Then, Mr. Speaker, the pamphlet tells you how to measure your land in metric using the formula of width, times length, in metres, divided by 10,000, giving the area in hectares. The pamphlet continues:

If you don't have the measurements in metres, you can make a conversion using one yard equals 0.91 metre. If you have your land area in acres, multiply the acreage by 0.405 to get the area in hectares. As a rule of thumb, there are 2.5 acres in a hectare.

I ask you, Mr. Speaker, where are we going on this thing? This pamphlet is but one of a flood of pamphlets, letters and brochures that have been distributed in western Canada. I have been in almost every country which is a major buyer of Canadian grain. I was chairman of the Board of Grain Commissioners for several years and one of my responsibilities was to help promote Canadian grains in world markets. During my term of office we set many records for exports which have not been surpassed to this day. I have also been a farmer; I have raised many fields of grain in my lifetime. I have been to university and I have been to the odd goat-roping contest; but I can tell hon. members that I do not know what these formulas mean, and they certainly will not mean much to the farmers of western Canada. If it is such a big deal for everyone to convert to the metric system, just think how much more important it would be if we all spoke the same language.

Mention has been made of the railways. Mr. Jim Wright, who is secretary of the Saskatchewan Wheat Pool, is reported in a *Free Press* report on farming, dated December 22 last, as saying:

Mr. Wright also expressed concern about the fact the railways don't go metric until 1981. "Right off the bat we'll have a problem because we'll be talking metric and they'll be talking pounds."

He said attempts to have the railways bill elevators for the movement of grain on a per tonne or per kilogram basis have failed, because much of their rail traffic is non-grain and has not yet converted to metric.

The Regina *Leader-Post* carried an article on this subject, part of which is as follows:

Strong objections to the metric conversion program came from Larry Brown, executive secretary of the Saskatchewan Federation of Labour.

Mr. Brown said metric conversion's main purpose is to facilitate trade between large multinational corporations and will have little impact on individual Canadians.

"If there is any benefit at all to individual working Canadians, it's extremely remote," he said.

While some unionized workers have contracts requiring their employers to pay all or part of the cost of new, metric tools, he said many workers have no such agreements or are outside unions. Many workers will have to keep dual sets of metric and Imperial tools until vehicles and construction supplies in Imperial dimensions have disappeared, he added.

All one need do, Mr. Speaker, is think of the number of dual inventories which will have to be kept across this country to get some idea of the cost of metric conversion to this nation. In conclusion, I would ask the government to give us in western Canada a break. Would the government at least give us some assurance that our land will be exempt from metric conversion, that there will be no change to our land tenure system? Earlier today the minister responsible for the Canadian Wheat Board, in reply to a question by the hon. member for Qu'Appelle-Moose Mountain, did not give that assurance. I hope we will get that assurance from the government.

● (1650)

The Acting Speaker (Mr. Ethier): Order, please. Before recognizing the hon. minister, I must advise hon. members that if he speaks now he will automatically close the debate.

Hon. Len Marchand (Minister of State (Small Businesses)): Thank you very much, Mr. Speaker. I just want to reiterate what I said a little while ago when kibitzing with some of my colleagues across the floor on the other side. I said that you white people sure have caused us Indians a lot of problems.

Some hon. Members: Oh, oh!

Mr. Marchand: I do not want to take a lot of time in closing the debate on second reading. I have listened to many concerns expressed by members on the other side and I know that the farmers of this country have some apprehension about this change that will be taking place. Change very often does cause difficulty. I recall the change from Fahrenheit to Celsius when all kinds of concerns were expressed by the general population. It is my hope that during the committee hearings we will be able to explain and deal with many of the points that have been raised by hon. members.

It is my belief that some pretty good explanations can be given about the suggested changes and the planning that has taken place and, hopefully, we can go ahead with this legislation in the spirit with which the metric commission has proceeded and in which the various sector groups have operated. In fact, the sector committee on agriculture has been working on this for a few years. That committee has been heavily involved in planning for those changes being implemented that will affect the farmers.

I know that some at the farming level suggested that appropriate consultation has not taken place. If hon. members are telling me this, I believe them; but that certainly was not the intent. A great deal of information has been sent out to farmers and their organizations have been consulted. We have widely canvassed farm organizations throughout the country, including the National Farmers Union, the Canadian Federation of Agriculture, and others. For example, the grain elevator companies are definitely in favour of this legislation. They are anxious to have it implemented by February 1 so that at least this part of the metric conversion program can go ahead. As a matter of fact, they are all geared up and ready to move.

Because of the nature and quantity of planning that has taken place involving the general farming public, hopefully this change can take place with a minimum of difficulty and with a minimum of partisanship. It is certainly not our intention to move ahead in any partisan way. Hopefully, in committee we can explain how the changes will take place. We will adopt a flexible attitude, and perhaps after some explanation regarding the difficulties involved we will be able to arrive at solutions. We have looked at some of the experiences of other countries.

An hon. Member: Are you going to preserve the acre?

Mr. Marchand: We will have a look at that and discuss it very thoroughly. We have already asked some experts of the metric commission and of the grain trade to be ready to give the explanations necessary and outline some of the difficulties involved in mixing the system, such as using acres and tonnes or tonnes and bushels. We would like to avoid confusion as much as possible. But by mixing the system we are bound to introduce some degree of confusion. For instance, if we are going to have tonnes and acres there is bound to be confusion.

I am told that other countries, for instance Australia, have gone cold turkey all the way. They have gone full metric and have experienced less difficulty in the implementation of their program over the long-term, as opposed to the United Kingdom where there has been a bit of a mixed system. They tried to maintain some of the Imperial system terminology and have had difficulty. The change has not been as successful as it might have been. The conclusion we have come to in looking at the experience of other countries is that we should avoid mixing the system, and I hope this can be explained fully by the experts in the committee.

Several of my friends across the way have suggested that we are not going to sell more grain as a result of conversion. I admit that fact and realize that grain has been selling throughout the world on a metric system for years. We admit that this will not sell more grain. The selling of grain around the world does not depend on metric conversion; it depends on markets, whether Russia and China have good or bad crops.

If hon. members look a little closer at the statements I have made they will see I have suggested there are opportunities in

other areas if we go metric. I am told, for instance, that in the lumber trade there are opportunities in the European markets if we are able to make more materials available in metric measurement. There are opportunities in other areas as well.

It has been said many times that we are one of the last countries in the world to go metric. The United States is also going metric and is well on the way. We hope we can remain a step ahead of the United States in the change so that we will be ahead in at least our metric conversion program. We have very close liaison with the United States on metric conversion. They have been in touch with our people, particularly those in the grain trade. We still hope we can take the lead in this regard, but the United States will not be far behind in converting.

I have some rather extensive notes dealing with a number of points that have been made, but rather than try to deal with them all during this debate I will leave them until we have an opportunity to answer in committee. Hopefully, the committee stage will not be prolonged. It is hoped that its deliberations will be shortened by having experts in attendance who can answer questions to the satisfaction of the farmers and others.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

An hon. Member: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It being five o'clock, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: The hon. member for St. John's West (Mr. Crosbie)—Fisheries—Proposed plan for compensation for fishermen engaged in redfish fishery—Request for report; the hon. member for Lambton-Kent (Mr. Holmes)—Canadian Broadcasting Corporation—Objection to documentary on French culture in village of Paincourt; the hon. member for High Park-Humber Valley (Mr. Jelinek)—External Affairs—Reason for alleged secret expulsion from Canada of Mr. Perdomo, representative of Cuba.

It being five o'clock, this House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions and public bills.

• (1700)

PRIVATE BILLS

[*English*]

BELL CANADA

Hon. Martin O'Connell (Scarborough) moved that Bill S-2, an act respecting Bell Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, before reviewing the highlights of Bill S-2 relating to Bell Canada I would like to provide some brief background information on the company and the bill. In addition, Mr. Speaker, because a private bill such as this must of necessity be sponsored by a private member, I should perhaps state that I have not been, and am not now, a shareholder of Bell Canada or its affiliates and have no pecuniary interest in the bill before us.

Bell Canada was incorporated in 1880 by a special act of parliament which has since been amended 12 times to increase its authorized share capital and to update its charter. The last time the company applied to parliament for amendments to its act of incorporation was in 1968 when it was authorized, among other things, to increase its capital and to issue preferred stock. The company's intention to proceed with these proposed amendments was widely advertised in various newspapers and government official gazettes during four consecutive weeks last fall, following which the bill was introduced in the other place and received third reading on December 15, 1976.

As to the bill itself, it has four main purposes: first, to increase the maximum authorized share capital of the company; second, to modernize the financing provisions of its charter; third, to update the corporate powers; and fourth, to enable the company to alter its objects, powers and share capital by letters patent subject, however, to cancellation by a negative resolution in either house of parliament.

Bell Canada requests authorization to increase its share capital to $5 billion from the present limit of $1.75 billion. Since 1945 increased share capital authorizations have been applied for and granted by parliament about every decade. The increase of $3.25 billion now being sought by the company is prompted by the need to finance part of the huge capital programs required to provide the services expected by the public. The company's business is highly capital-intensive and requires the investment of massive amounts of money which are provided by internally-generated funds on the one hand and by debt and equity financing on the other hand. The company forecasts capital expenditures of $15 billion over the

next decade. It anticipates that it will exhaust its current limit of $1.75 billion of share capital by the end of 1978.

In order to obtain large sums from the capital markets to meet increasing demands for telecommunication services, Bell Canada must compete both at home and abroad with other firms and governments which enjoy a much greater financial flexibility. For example, under its present charter Bell Canada cannot issue shares other than common shares of $25 par value and preferred shares, nor can it split its shares or consolidate them. It cannot borrow under the authority of a general borrowing by-law. Accordingly, a certain number of proposed amendments are designed to equip the company with similar financing flexibility to that enjoyed by practically every company nowadays. May I point out also that most of these financing amendments are similar or identical to the provisions of Bill S-11, an act respecting British Columbia Telephone Company adopted by parliament in December, 1974.

Included in these financing amendments is a provision enabling the company to issue its share capital in the future without CRTC approval, although within the $5 billion limit set out in this bill. Since 1929 the company has been required under its charter to obtain the approval of the regulatory body, formerly the Canadian Transport Commission, with respect to the amount, terms and conditions of each stock issue. This requirement was understandable and relevant in the circumstances down to the year 1966 when its relevancy disappeared.

The purpose of the CRTC approval of share issues was to ensure that the company would not sell new stock at a price, for example at a low price, which would impose undue costs on its customers. This was during the time when the company's earnings and rates were regulated on the basis of the total number of shares outstanding. Since May, 1966, however, the formula adopted by the regulatory body for regulating earnings and rates has completely changed. The company's permitted earnings are now stated as a percentage of the total amount of capital invested in the business and not at all related to the number of shares outstanding. The result is that the continuing requirement for CRTC approval of share issues is now redundant. This matter will, as in the past, be dealt with by the ceiling provided from time to time and by authorization received from the company's shareholders.

At this point I should like to emphasize that repeal of this requirement would leave absolutely intact the CRTC's jurisdiction over the company's rates for services offered to the public. All of that essential regulatory process would remain intact. But this single change of eliminating approval of specific stock issues would do more than terminate a practice that has lost its relevancy because of the new rate-regulating formula. It would also preclude delays associated with public hearings, thereby assuring more flexibility in the timing of a stock issue, often important for advantageous pricing in the market and for staying within the short time limits provided for in underwriting agreements. This gain in flexibility is important as the competition for equity capital becomes more intense.

[Mr. O'Connell.]

The third aim of the bill is to modernize the corporate powers of the company through the incorporation into its charter of section 16 of the Canada Corporations Act. The amendment proposed to achieve this objective would clarify and broaden the existing ancillary and incidental powers of the company. It would allow the company to invest in other companies having objects in whole or in part similar to those of Bell Canada. It would enable Bell Canada to implement government policy regarding the provisions of computer services by communication carriers through separate arm's length affiliates.

The application of section 16 of the company would, in effect, place it on the same level as most other companies which can carry out their objects in the most appropriate manner without being hampered by the constraints which presently preclude Bell Canada, except in very limited cases, from incorporating or acquiring subsidiaries to perform activities it could undertake itself.

● (1710)

The powers sought here would only be exercisable as incidental and ancillary to the objects set out in the company's charter. These powers were, in essence, made applicable to Telesat Canada, a federally-regulated telecommunications carrier.

Finally, the last purpose of the bill is to authorize the company to alter its objects, powers and share capital in the future by applying to the minister of consumer and corporate affairs who is the registrar general for letters patent, which would however be subject to being nullified by either House of parliament during a period of 30 sitting days following their tabling in parliament. This is the negative resolution procedure which is found in one form in the Telesat Canada Act and in a modified and detailed version recently provided in the Income Tax Conventions Act, 1976. The proposed change would not deprive parliament of its control over the company's charter but, rather, would modify the manner in which such control would continue to be exercised.

Mr. Speaker, these are the highlights of Bill S-2. Hon. members will appreciate that full opportunity will be given to examine the bill in detail when it is dealt with in committee, where the company's chief officers will make themselves available as witnesses. These proposed amendments update the capital and the powers of Bell Canada. They provide it with the financing and corporate flexibility required in the field of telecommunications today and for the future. They leave intact the essential regulatory role of the CRTC while equipping the company to meet the service needs of Canadians in the period ahead.

Mr. Speaker, I am pleased to recommend these amendments to the consideration of hon. members.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I listened with interest to the remarks of the hon. member for Scarborough East (Mr. O'Connell) on Bill S-2 which had its birth in the other place. I know others will be participating in

this debate and might make some irrelevant comments about the birth of such a bill in the other place, and will undoubtedly colour the air with purple prose on the relationship of such bills and corporate legislation starting in the other place. But I do not intend to make prolonged remarks at this stage on the stand of Her Majesty's Loyal Opposition on Bill S-2 because, basically, as the hon. member for Scarborough East said, the motion is to refer this bill to the Standing Committee on Transport and Communications which will give a better opportunity for us to make a more exhausive study of certain aspects of this complicated bill.

Having been in this chamber for a few years, I know that every time "Mother Bell" is mentioned there is no doubt this gives an opportunity to any politican to wax eloquent and often irresponsible about that Canadian company. Like the hon. member for Scarborough East, I speak as one of those commoners in the land who does not have a pecuniary interest in the company other than to pay my telephone bill in Ontario, because another telephone company sends me its bills in Atlantic Canada.

I think the Bell Telephone Company is a perfect example of a schizophrenic personality, which is often that of a Canadian politician. It is both remarkable and paradoxical that often those who champion and espouse the so-called nationalism and proclaim all the great sentiments and strong views about being Canadian and about freedom from coast to coast—and, incidentally, having a good telephone service from coast to coast—are the very people, and we may hear from some in this chamber, who as soon as "Mother Bell" is mentioned will say that she is an unhealthy or tainted woman with a tainted heritage and that she is wearing soiled clothes.

Without getting into a provocative debate on this issue with the hon. member for Scarborough East, let me say that Bill S-2 has four main aims, as the hon. member said.

I must confess that I cannot give a full and detailed explanation of the first one in terms of what the corporate wizards could do with some of the changes to the capital procedure, but I know that unless parliament moves on Bell Telephone's request for increased capital authorization, hon. members will be asking in this chamber why certain communities were not hooked up to the telephone service and why this company does not provide the service that we expect from it. The request by the company to increase its authorized capital from $1.75 billion to $5 billion involves the international workings of the company and its construction program for the next ten years.

Any hon. member here would be handicapped in trying to justify such a fundamentally large construction program, and the only people who can do that are the officers of the company who will appear before the committee. I will not get into a debate with the hon. member for Scarborough East on this subject, but I did ask, as a matter of historical interest, about the history of charter amendments of the company and I find myself with somewhat different information from that given to us by the hon. member for Scarborough East. I thought there were only ten changes. For the record, I will spell out the ten changes in the charter of the company which perhaps show the rate of inflation in this country as well as the development of the Bell Telephone Company from its origin as an innovater and leader way back at its inception. It also shows what has happened with the value of money and the size of the company today.

The first authorization for an increase in capital was in 1880, and it was for $1 million. In 1884 it went up to $2 million. In 1892 we moved ahead to $5 million, and in 1902 to $10 million. In 1906 we went up to $30 million, and in 1920—a longer gap than the decade mentioned by the hon. member—we went up to $75 million. In 1929 we went up to $150 million. Then there was a long gap when we had a depression and a war. In 1948 the next change in the charter to increase the capital was for $500 million. In 1957 we went up to $1 billion, and the last change that has been mentioned was in 1968, to $1.75 billion. Now the proposed change is to $5 billion.

I am advised by officers of the Bell Company that while this is a pretty healthy leap forward in terms of the corporate authorization, in terms of continuing and expanding the service, it will just provide the basis for the capital works program in the next ten years. I should like to hear the responsible officers come before the committee with research on some of the intricate provisions, so that we may be able to ask sensible questions of them and hear their reasons for the increase from $1.75 billion to $5 billion.

I do not find any real objection to modernizing the financial provisions of the act by putting the company in the same position as the B.C. Telephone Company and incorporating similar provisions to those in the Canada Corporations Act. Some reason that this bill would put Bell into the same position as other companies in terms of competing for funds in the money markets so that it could compete and not be penalized when getting equity capital and thereby it would not have to charge that much, hopefully, to its subscribers. I agree with that argument to a point, but without getting into all the statistics of the uniqueness of Bell Telephone, it is clear that Bell is not like all the other companies. Perhaps that is one of the reasons we have this archaic procedure—and there is no disrespect intended to the hon. member for Scarborough East. However, the only way the federal charter can be changed is for it to come through these halls under a private member's bill and to have it sponsored here.

● (1720)

Mr. Nystrom: Nationalize it.

Mr. Nowlan: Having been in some countries which have nationalized their telephone systems, and in at least two provinces of this country where the telephone systems are nationalized, and having used those telephone systems, I have no faith at all in government-run telephone systems providing better service to the average person—

An hon. Member: What about Alberta?

Mr. Nowlan: —than the service we get from Bell.

Mr. Nystrom: It is much better.

Mr. Nowlan: The hon. member will have a chance to speak in the debate. I am referring to the hon. member for Yorkton-Melville (Mr. Nystrom) who is from the nationalized state of Saskatchewan. It does not really matter what part you are from, once you leave the cities, because it is pretty well blended into the socialistic porridge pot—and porridge is pretty bland. However, there is not a person who has travelled around the world and who has used the telephone systems in other parts of the world who can show me a telephone system better than the Bell Telephone system.

Some hon. Members: Hear, hear!

Mr. Nowlan: By saying that, I do not claim to be an apologist for Bell.

Mr. Parent: What about the one in Russia?

Mr. Nowlan: We do not have to go to Russia: we can go to France, Great Britain or Saskatchewan. Some hon. members could go further than that where there are no telephones, because they do not need telephones to be heard.

Some hon. Members: Oh, oh!

Mr. Nowlan: Be that as it may, this is basically a corporate bill.

Some hon. Members: Oh, oh!

Mr. Nowlan: My hon. friends are already starting to attack the walls of capitalism. It is interesting to note the schizophrenic character of this country and of hon. members who think they have a monopoly on ideology. I can mention parts of this bill which give me a great deal of concern, but in terms of my trying to talk in a knowledgeable way about whether at this stage authorizing an increase in authorized capital from $1.75 billion to $5 billion I do not know if I or my friends can make knowledgeable comments.

This bill was debated in the other place by senators. I know hon. members to my left do not have a senator there, and if the House leader of the New Democratic Party, the shadow leader—not the hon. member for Timiskaming (Mr. Peters), but his seatmate—had his way, of course there would not be a Senate. However, even in that chamber of sober second thought many thought that Bell Telephone was controlled by I.T. and T. Evidently they forgot the fact that Bell Telephone is owned 98 per cent by John Q. Canadian, or Mr. Canadian. However, I will not go too far with that.

With regard to modernizing the financial provisions, I will be interested at the committee stage to see just what the officers say about these things. If changes can be made to keep Bell in a competitive position in financial markets by seeking equity capital without penalty to its subscribers, including the widows and orphans of this land who sometimes use the telephone, then I will be in favour of that; but I think we have to listen to the argument that under the Canada Corporations Act all companies are supposed to be put into a similar position. Obviously, Bell Canada is not a company like others, and that is both its curse and its challenge. It is a curse to those who want to curse a very efficient company which provides us with good service, yet it is a challenge to Bell's developing further. There is a little conflict here and I will be interested to see how the evidence comes out.

As the hon. member says, the reason we can have this change now is that the rate of return is on a different base, and because it is on a different base—which was, I think, set in 1966, which was the effective time change for the rate not being based on the return of issued shares but on equity capital and investment capital—you do not have to be quite as careful in giving a very large potential increase in the authorized capital permissible under the act.

I am more concerned about the last two purposes of the bill, the changes in the ancillary powers of the company and also the method provided to change the charter in the future. Very quickly, this question of allowing the company to broaden its powers—and, again, using the Canada Corporations Act as the base to give the powers, as is the case with other companies—I think has to be watched fairly carefully. We are in an uncharted world as a result of changing technology, and today we are asked to incorporate section 16 of the Canada Corporations Act which would allow the company to invest in other companies having objects altogether, or in part, similar to those of this company. That is, in effect, the purpose of these changes. Yet we have had, and will continue to have, in this House questions, answers and debates as to the literal interpretation of "broadcasting." The Broadcasting Act was passed in 1966, and the word "cable" does not even appear in it.

We have here a communications company, Bell, which missed a golden opportunity when it did not get into cable years ago when telephone companies had the first crack at it. Other telephone companies as well would not touch cable with a ten-foot pole. Hon. members to my left would not touch it even with a ten-foot telephone pole. Hon. members to my left would not appreciate this, but it was small entrepreneurs who took the chance and the risk, and that has made Canada the leader in the world with regard to cable.

I know at the moment there are socialist governments in certain parts of the country who would like to reverse this clock and get provincial telephone companies directly into the cable field. I am prepared to say, with no fundamental disrespect—other than that I think it is wrong—that if the provincial telephone companies get into those areas they will not be able to provide the service that subscribers are getting from small cable companies. At the moment some areas do not even have cable service because of this jurisdictional fight.

I feel that there is one area which has to be watched cautiously. Using the argument that these changes will put Bell into the same position as other companies—and I am prepared to admit that Bell is not the same as other companies—I think parliament has a duty, and when we get into committee we should examine the officers of the company as to the full implications of these ancillary powers with special reference to Bell as a telephone company which obviously has

an interest in the computer field and now would perhaps like to develop an interest in the cable area.

Mr. Rodriguez: Not an interest, a monopoly.

Mr. Nowlan: You have monopolies in Manitoba and Saskatchewan with your phone companies. The section which gives me the greatest concern—and, as outlined in the bill, would not get my support—is the section the hon. member for Scarborough East mentioned. I refer to the procedural clause which in effect sets up a negative resolution whereby the company could hereafter change its objects, let alone its purposes. So far as I am concerned, we ought to look with a negatively critical eye at that clause requiring the Minister of Consumer and Corporate Affairs (Mr. Abbott) to bring before this House for a certain period of scrutiny the letters patent.

Let me hasten to add that Bell is not like other companies. It provides good service, and needs funds to continue that service. I know that the company wants immediately a more expeditious way for changing its charter. It wants to be more businesslike in providing good service for the Canadian people. Yet Bell is not like other companies, and is not analagous to Telesat. It may be intended to follow the Telesat precedent. However, Telesat is unique, and Telesat really is not part of the commercial world. That satellite is in orbit in the heavens, providing channels of communication on a commercial basis to large organizations, including the CBC.

● (1730)

Mr. Rodriguez: And Bell.

Mr. Nowlan: And Bell. Really, I am concerned about the negative provision of the bill. Bell as a company is intimately involved with consumers in Ontario and Quebec. I question the wisdom of the negative provision of the bill; after all, the company is involved in the field of communications and we do not know what fundamental changes may come about even three years down the road.

In 1968, when I participated in debate on the Broadcasting Act, the House was not thinking of the effect of satellites, communication by satellite, and the computer technology which has burst forth on the horizon. Yet we all know that this new technology is fundamentally important now to the communications industry, but it has also created some new problems. Therefore by giving the company certain powers by way of a negative resolution you would enable it to change its charter, let alone the purposes of its creation. If you go that far, any pretense of parliamentary direction and/or control will go out of the window. But that is a procedural point which does not go to the principle of the matter, namely, that Bell needs money in order to continue good service. The company may be somewhat extravagant, to my way of thinking—

An hon. Member: Extravagant?

Mr. Nowlan: —extravagant in asking for unrestricted ancillary powers which, obviously, would make Bell bigger.

An hon. Member: Who needs it?

Mr. Nowlan: The hon. member's party in Manitoba—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Nowlan: What's the matter, Mr. Speaker?

The Acting Speaker (Mr. Ethier): I regret to inform the hon. member that the time allotted to him has expired. Nevertheless, he may continue if he has unanimous consent.

Mr. Rodriguez: Continue.

The Acting Speaker (Mr. Ethier): Does the hon. member have unanimous consent to continue?

Some hon. Members: Agreed.

Mr. Nowlan: Mr. Speaker, I do not intend to speak too long, because I know my friend to my left is chafing at the bit. The party to my left cannot wait to add its constructive thoughts to what has already been said. I will not impose on the good graces of hon. members who have allowed me extra time, because I know that we want to hear other points of view on this bill.

I see no fundamental objection to the request concerning authorized capital. After all that goes to the root of our present debate. I think the provision regarding ancillary powers must be looked at with a critical eye. Certainly the negative resolution provision as presently contained in the Bill S-2 ought to be revised. I am aware of the company's interest in a procedure which will allow it to make certain changes expeditiously. However, as a parliamentarian not involved with the company, I want to see the maintenance of parliamentary direction and control. If the negative resolution provision presently contained in the bill is allowed to remain, you may as well kiss such parliamentary control goodbye.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I welcome the opportunity to make some remarks on Bill S-2 concerning the financing powers of Bell Canada.

The previous speaker tried to leave the impression that Bell is mainly concerned about modernizing and changing some of the legislation which affects the way Bell raises its capital. I submit that is not the essential point of this bill. In essence, we are determining to what degree we shall still be able to maintain effective regulation over Bell Canada as it changes its capacity to raise funds. That, it seems to me, is the crux of the matter about which hon. members ought to be cautious before rushing ahead and changing existing legislation.

Bill S-2 has three main aims; I will enumerate them, in order to elaborate my concerns about the contents of the bill. First, the bill would allow Bell to borrow, issue stock, bonds, debentures and other securities as the company itself deems necessary, but without the approval of the regulatory agency, the CRTC.

An hon. Member: Shame!

Mr. Symes: Second, the bill would broaden the company's powers by revoking its present act of incorporation and placing Bell under the provisions of the Canada Corporations Act.

Third, the bill would allow Bell to charge the going rate of interest on overdue customer accounts, instead of the current rate of 6 per cent allowed by the CRTC.

What will be the effect if Bill S-2 passes? In my opinion Bill S-2 is an attempt by Bell to undermine the public regulation of that monopoly. In effect it would put Bell's corporate interest above that of its customers. Because Bell is a telecommunications monopoly, the only protection its subscribers have at this point is government regulation. I submit that the public regulation of Bell must not be lessened or weakened. How then would Bill S-2 weaken the public regulation of Bell Canada?

Let me deal with the first point I mentioned, the changes in Bell's method of capitalization. To see this in its proper context we should look at the history of the rate regulation of Bell. In 1919 the government regulated the earnings per share; this continued until 1966. That regulation was designed to protect the public by preventing Bell from making excessive profits per share. However, over the years Bell deliberately circumvented this means of regulation by watering the stock, that is to say, selling stock to existing shareholders at prices well below the market value and passing on monopoly profits in the form of capital gains rather than income. We find that in 1929 parliament revised the Bell act, to require regulatory approval for all issues of stock. In 1966 Bell succeeded in getting a revision of regulations, replacing control on earnings per share with percentage return on average total capital.

● (1740)

I submit that through this bill Bell wants to remove all regulation of what stocks Bell issues and at what price. What is the danger in this change? It is this. If the government is serious about regulating Bell in the public interest, it must regulate two things. It must regulate earnings per share and the issue price of equity, and not just the percentage return on capital, as is the present case.

If Bill S-2 passes, the CRTC will have no power to authorize the terms and conditions of new stock issues, that is to say, it will be unable to regulate Bell Canada effectively. I will give an example of how this will come about. What will happen is that Bell will issue preferred shares, with very large dividends. It will then be able to argue that common share dividends must exceed those of preferred shares or else investors will not convert their shares. The way that Bell will get common shares up in value will be to argue before the CRTC that it needs to increase subscribers' telephone rates. The NDP, therefore, in the interest of telephone subscribers must oppose this attempt by Bell to escape regulation.

The second change that the bill proposes is to change the act of incorporation under which Bell now lives. The present act states that, first, Bell Canada is to engage only in the provision of telecommunications service. Second, Bell is to act solely as a common carrier. Third, Bell is to own as subsidiaries only companies engaged in telegraphic or telephonic communications.

What Bill S-2 wants to do is replace the above provisions under Bell's act of incorporation with the Canada Corporations Act. This would enable Bell to participate in any or all markets it wished to. In other words, Bell claims it should be treated as any other corporation.

Bell Canada by no flight of the imagination can be considered just like any other corporation. It is a monopoly, and a very powerful one at that. Ninety-three per cent of its revenue is based on telephone service. Only 7 per cent comes from competitive operations such as data services. It certainly cannot be considered like any other corporation in the private sector.

What are the implications of Bell coming under the provisions of the Canada Corporations Act? Bell could expand its operations and earning ability in areas which would be beyond present CRTC regulation. Bell could go before the CRTC and plead poverty on its telephone operations and thereby get a rate increase, when in fact it is making large profits from other investments which would not be taken into account by the CRTC. There is already ample evidence of this occurring within the present framework of operations of Bell Canada. I will give the example of Northern Electric.

In the past the Canadian Transport Commission, which used to regulate Bell, was very negligent in failing to take into account Bell's relationship with Northern Electric and its other subsidiaries when trying to assess Bell's profitability. For example, in 1974 Bell's share of net income from Northern Electric was in excess of $48 million, but the profitability of Bell's subsidiaries is never examined when Bell comes before the regulatory agency pleading for a rate increase.

It is my contention that the CRTC, which is now charged with examining Bell's rate increases, should be looking at its relationship with its subsidiaries, as well as at the other fact that has been neglected to date. That is the fact that Bell has been able to defer paying over $650 million taxes through a deferred tax scheme. This is no longer counted as a liability by accountants. In reality what Bell has here is an interest free loan that has never been taken into account when the government assesses Bell's profitability.

Looking at Bell's profit over the past few years, I submit it has been more than adequate. In 1975, for example, Bell's profit was $266,784,000, an increase of 18.9 per cent over 1974. For the first nine months of 1976 its profit was $218,-415,000 compared to $187,746,000 for the first nine months of 1975, an increase of approximately 16 per cent.

Mr. Rodriguez: And that in a period of controls.

Mr. Symes: As my colleague from Nickel Belt says, that was in a period of controls. Since Bell is a monopoly it cannot be treated as any other corporation. Therefore it must not come under the purview of the Canada Corporations Act.

The third thing Bill S-2 tries to do, as I mentioned, is change the charge on overdue accounts which is currently

limited at 6 per cent. Bell wants to raise it to the going rate, which I presume is somewhere around 11 per cent.

Mr. O'Connell: Mr. Speaker, I apologize for interrupting, but I am sure the hon. member, by misunderstanding the clause, does not want to mislead us. It is not overdue customer accounts. It is the overdue accounts for shares of those who are subscribing to new shares.

Mr. Symes: I thank the hon. member for Scarborough East (Mr. O'Connell) for that correction. I would not have much difficulty in hearing arguments along this line being put forward by Bell. This is one of the least distasteful parts of the bill. However, I would hope that we could have some kind of commitment from Bell for improvement of service.

In northern Ontario, for example, a situation has existed in the small communities with multiple party lines, where there are as many as ten or more people on one line. I think of people in rural areas who want telephones brought to their homes. In northern Ontario there is an example of one family being charged in excess of $1,000 a year. I might mention also the practice of requiring a $200 deposit from subscribers with overdue accounts. We might look at some of these practices in terms of a trade-off commitment from Bell before any increase in the company's power is permitted by way of a change in the infrastructure.

● (1750)

When I look at the history of Bell and the attempts made by government to regulate it, I find a history of efforts to evade or reduce public regulation of the company. This powerful monopoly has, I submit, been aided and abetted by its friends in the Senate who gave the bill before us only a cursory glance. Bill S-2, if allowed to pass in its present form would, I maintain, subvert the already weak regulatory authority upon which we as consumers have to rely when it comes to keeping this giant corporation in line. In the interest of good telephone service at affordable rates, I submit that the New Democratic Party cannot support a measure which would mean less public control over this powerful monopoly. We need more accountability from Bell, not less.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, it may be a little late and I do not want to kill this bill, but I want to say a few words about Bill S-2. It is very unusual to have a bill coming from the Senate. I am always surprised to see something coming out of the other place. I always wonder whether the senators do that for the sake of private or public interest. Anyway, I do not want to criticize the work of our good old senators, but I should only say, Mr. Speaker, that when we read Bell Canada's representations in this bill, they are asking that their charter be amended to be able to increase the capital stock from $3.25 billion to $5 billion.

In my opinion, this is a very considerable increase compared to the increases requested in previous years. I wonder whether Bell Canada wants to go into the electronic or other fields. This is a very important request and it deserves serious consideration by the government.

In the explanatory notes we can read this, and I quote:

> This amendment would extend and update the borrowing powers of the Company.

Again, this is a request by the company which will enable them to expand very considerably their operations. If we knew the objectives of the telephone company in the most minute detail, and if the sole purpose were to improve telephone service, I would be very happy about it. But, as it is outlined further on, Bell Canada can invest in other companies. That is where the risk lies. It is quite easy for it to invest in other companies in an attempt to create a monopoly against which the government could not exert influence.

So far the government has been quite successful in supervising Bell Canada's operations. I am not prepared to admit that it has to be nationalized; on the contrary, I am against any nationalization. But I just want the House to realize that there are obviously place for improvement in the field of telephone lines. We like to say that we have a good telephone system, that Bell Canada is a good company, a good servant of the population. We must recognize also that it is well taken care of by the government. We must admit, when we see all the favours it obtains from the government, that it would be worthwhile to turn to the consumer and try giving him a little bit more satisfaction. I should like to deal briefly with rural services. I wonder if the House is aware of the fact that there still are rural areas where nine, ten or even twelve parties share the same line. One could understand that thirty years ago but today, with all the credits given the company, I feel it should make an effort to give better service.

I have had occasion to write repeatedly to their office begging them to give private lines, at least to merchants. It is hard to believe that a merchant should have had to share a party line with ten other subscribers, after waiting for a private line for three years. There is a limit to everything.

Mr. Speaker, I would not want that money . . .

The Acting Speaker (Mr. Ethier): Order. The hour appointed for the consideration of private members' business has expired. It being six o'clock, I do now leave the Chair till 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed, from Thursday, October 28, 1976, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-15, to amend the Customs Tariff, be read the second time and referred to Committee of the Whole.

Mr. Deputy Speaker: Order. If I recognize the minister at this time I must inform the House that he will be closing the debate.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like to bring a matter to the minister's attention. It concerns the Excise Tax Act and Customs Tariff, and I am wondering whether the minister is in a position to respond to it. It has to do with customs taxation of goods brought in for use in centres of rehabilitation and workshops. I should like to read a letter which has been brought to my attention, and I would appreciate the minister's response to it. It was referred to me by the hon. member for Regina-Lake Centre (Mr. Benjamin) and was sent by the Canadian Council of Rehabilitation Workshops to the Minister of National Revenue (Miss Bégin). Let me quote part of the letter:

> The purpose of this letter is to bring to your attention certain exclusions in the guidelines under the Federal Excise Tax Act related to exemptions of Federal Sales Tax for institutions and facilities whose prime objective is the rehabilitation of handicapped or disadvantaged persons.
>
> A number of the workshops or rehabilitation facilities in Canada are not involved in activities that produce an item that would be considered under the act. Specifically this would be the renovating or refurbishing of items for resale such as clothing, electrical appliances, furniture, etc. In the course of these activities they must utilize various supplies and equipment to carry out this function—

The letter goes on to say:

> A further consideration is in the area of—

Mr. Deputy Speaker: Order, please. I am just wondering whether the hon. member is speaking to the right bill. The bill the House is presently considering is Bill C-15, to amend the Customs Tariff, not the Excise Tax Act.

Mr. Saltsman: Mr. Speaker, my point does relate in a way, but if I can follow your guidance I will leave it until the House reaches Bill C-21. Alternatively, with Your Honour's permission, since I understand the other bill will be called shortly, perhaps I could continue and deal with it at this time, if there is no objection.

Mr. Deputy Speaker: Order, please. I hesitate even to think of allowing the hon. member to do so. It would be contrary to all the rules of the House to talk about one bill when we are debating another. I feel that we should complete this bill and that intervention should directly relate to its subject matter. This will not broaden the debate and will give the House a chance to complete the bill faster. I should bring it to the attention of hon. members that the minister is about to reply, and that if he does so at this time he will be closing the debate.

[The Acting Speaker.]

● (2010)

Hon. Donald S. Macdonald (Minister of Finance): I thank you very much, Mr. Speaker, and I thank hon. members. I wanted to take this opportunity to comment on a matter of interest probably to members in all four corners of this House during this particular debate having regard to the changes proposed to the customs tariff in respect of pork and pork products.

Since the budget of May 25 last, there has been a substantial alteration in the position of pork markets in Canada, and far from being in a position now in which further cuts in the tariff would be required from the consumer standpoint there has, indeed, been a dramatic drop in the cost of pork and pork products. In the circumstances it would appear that in all fairness to pork producers, as I indicated in my second reading speech, it would be appropriate to take action for the purpose of removing the tariff reduction proposed by the bill.

There are two possible ways of doing this; first, with an amended notice of ways and means, and to amend the bill itself in the committee of the whole. The rather more simple way is to follow the procedure suggested in the bill itself, that is, to make provision for an order restoring the level of protection. Under the circumstances, the latter would appear to be the more appropriate. I would now indicate to the House in closing the debate that it would be my intention, as soon as the bill is passed, to seek from the Governor in Council the authority to restore the tariff level on pork in light of the change in the markets.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The hon. member for Edmonton West (Mr. Lambert) wishes to ask a question of the minister, which can only be done with the consent of the minister and the House.

Some hon. Members: Agreed.

Mr. Lambert (Edmonton West): By way of explanation would the minister indicate if this procedure is contemplated in respect of pork products alone, or is this a device he plans on utilizing in respect of textiles and shoes, for example, as a quick means of action without reference to the House by a ways and means motion?

Mr. Macdonald (Rosedale): Mr. Speaker, the answer would be no. As I indicated in introducing the bill, the dropping of the protection was available under the act primarily with regard to food commodities, bearing in mind the rather mercurial nature of the food market. Of course this has been more than amply proven by the pork situation so a procedure was included in the bill, and is included in the appropriate clause to restore the protection. My intention would be to apply this with regard to pork only. As the hon. member knows, there are other commodities which are very much the subject of concern

and consideration on the part of the government, such as textiles and shoes. My view is that they would not be dealt with by way of a temporary tariff change withdrawal of this kind, but would require more fundamental measures which, of course, would be dealt with under other aspects of our law.

Mr. McKenzie: Mr. Speaker, I rise on a point of order to ask the minister a brief question, if I may.

Mr. Macdonald (Rosedale): How about the committee of the whole? That is what it is for.

Mr. McKenzie: We are going into the committee of the whole now?

An hon. Member: Yes.

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

Some hon. Members: Agreed.

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

The Chairman: The House in committee of the whole on Bill C-15, to amend the customs tariff.

On Clause 1—*Schedule A amended.*

Mr. Lambert (Edmonton West): Mr. Chairman, this is a very specific clause, I grant you, but there is one point that bothers me a little bit. Notwithstanding some very extensive remarks by members in the House generally, during which questions of principle were raised, the minister has not replied to those points in closing this debate. Unless I raise the matter at this point on Clause 1 we are not going to get the answers. I have specific reference to the point I made as reported in *Hansard* of Tuesday, October 26, during the second reading debate, as follows:

> The minister has not spoken to us about what the government has foreseen with regard to the trade development pattern, not as of yesterday but in the three or four years during which we saw inflation rise at a gallop.

I know that several of my colleagues have expressed some concern, and it may be that the hon. member for York-Simcoe will have a lot more to say about the nature of negotiations going on in Geneva at the present time under GATT.

There are a number of things that have worried hon. members and these have been expressed in other debates, and we have yet to receive adequate answers. Before we are prepared to discuss the detail under Clause 1 of this bill regarding items changed in Schedule A, I hope the minister will at least give us some indication of the answers he intends to provide, when he will provide them, and whether the government is prepared to allow some government time for a debate on international trade. I am quite serious when I suggest this must be done at this time. The budget debate of last June did not offer an opportunity. The minister in his presentation did not deal sufficiently with the nature of our international trade.

We have had some very worrisome deficits in the commodity account, and the whole financial picture in the country is predicated upon a changing pattern of international trade. As I said, I will come back to that later. I know there are some provincial governments which have expressed serious reservations about the nature and composition of the negotiations going on in Geneva. Provincial governments are not having any input whatsoever and items are being traded away, as they were under the Kennedy Round, at an accelerated rate, cutting across the industrial policies of particular provinces. I know the cattle industry was hurt badly, for example, at that time, and it is conceivable that it might be hurt again on this occasion.

I know that various provincial governments have industrial policies for the development of their resources, yet it seems that our negotiators do not even consult the provincial authorities in respect of what might be the best possible stance for Canada. To that extent I would hope the minister will tell us the government's intention regarding these consultations on trade.

There are many other points I raised in my speech. I hope the hon. member for York-Simcoe will elaborate on these particular points.

Mr. Macdonald (Rosedale): Mr. Chairman, I would just remind the hon. gentleman that, indeed, we did debate in the House last fall the matter of the government's trade stance. In particular, we had an extensive presentation by a number of responsible members on this side of the House regarding the over-all tariff negotiations.

The hon. member has raised the suggestion that perhaps it would be appropriate to have a second such debate, several months having passed, with a new United States administration having been established. I am certainly prepared to consider that and, of course, to discuss with my colleague, the House leader, the question of additional time. It may well be that, negotiations under the Tokyo round having been at something of a standstill during the election in the United States and when they were active with the change of administration, it is apropos at this time. It seems to me we have here a specific set of tariff changes, specifically directed at the consumer sector, and primarily the food sector, for the purpose of meeting inflation problems in Canada. I wonder whether this bill is the best place for widespread debate on the over-all question of trade policy.

● (2020)

I would like to suggest, in light of the interest that some members have in trying to provide relief for pork producers, that it would be appropriate to pass this bill. The Leader of the Opposition has raised the question of when the next budget will be introduced. It seems to me we should not be introducing a new budget until we dispose of the bills arising from the May 25 budget. I would hope we might have some debate directed to the specific items in this bill and I would hope for a broad debate on the tariff bill, the Geneva negotiations, and our over-all trade policy in the near future.

Mr. Stevens: Mr. Chairman, I should like to take up some of the remarks that my hon. colleague has already made. I think the House will understand our frustration in not being able to have what I would regard as a meaningful review of the total international picture surrounding Canada's trade with foreign nations, and the negotiations taking place in Geneva at the present time. While the minister referred to a debate last fall, he did not make it clear that that debate was triggered by this party using an opposition day to get some insight into what was transpiring with regard to international trade matters. I would point out that the Minister of Finance, who is primarily responsible for and who directs what is happening in Geneva, did not enter that debate. We still have not heard what he believes to be Canada's current position in the Geneva negotiations.

In short, Mr. Chairman, I believe there is an element of frustration here and that somehow the minister should try to relieve that frustration this evening by giving us at least a brief outline of what he feels the current stance is in the Canadian negotiations in Geneva, where he sees the problems, and where we might be making some headway. Before we get into the provisions of Bill C-15, I would hope that the minister, having failed to make any further comments at the conclusion of second reading, would at least review some of the comments made in the dozen or so speeches given on second reading.

The minister says that he hopes the bill will get speedy passage. I would remind all hon. members that it is not the opposition which has delayed the legislation. This bill has lain on the order paper for three months without being brought forward. Surely, 25 minutes after the bill coming up again for consideration after that three months delay, and the opposition not having delayed second reading, we should be entitled to some explanation on these two broad matters—first what the over-all stance is at the present time and the degree of success or failure we are meeting in Geneva and, second, a reply to some of the points raised in the dozen or so speeches on second reading.

Perhaps I could summarize our frustration this way, Mr. Chairman. This is literally the only jurisdiction in the democratic world, as far as I can make out, where there is no meaningful review of what our trade negotiators do when they enter the GATT negotiations. In the United States an act was passed through Congress which sets guidelines for the subsequent negotiations. They have an ongoing committee to review the GATT negotiations. Yet we in this House are asked to respond after decisions are made; we are asked to respond, for example, to a bill such as Bill C-15 after the government has decided to change tariffs in whatever way it sees fit.

We are frustrated because the Finance Committee of this House has been virtually idle during the second session of this parliament. We have done virtually nothing in that committee because, for some reason or other, the minister is not inclined to expedite business to the committee or even to appear, in the case of Bill C-5, to enable the bill to be continued with.

Mr. Kaplan: They have to get through second reading in order to get to committee.

[Mr. Macdonald (Rosedale).]

Mr. Stevens: The Parliamentary Secretary to the Minister of Finance says they have to get to committee. I would point out that this bill is before us in Committee of the Whole and we are asking the minister for comment on the subjects to which I have referred. Bill C-5 has been before the Finance Committee for some time and we cannot get the minister to appear so that we may have the benefit of his comments.

In short, Mr. Chairman, and following on the comments of my colleague, the hon. member for Edmonton West, I feel that it is very much in the interest of members of the House that the minister comment on the two subjects that have been raised. Certainly he need not be frightened that the bill is going to be delayed. It is a short bill. But he should take the opportunity to give members a little insight into what is happening in these rather secretive discussions in Geneva, and give the members who have raised questions on second reading the benefit of his comments.

Mr. Macdonald (Rosedale): Mr. Chairman, to deal with a couple of points raised by the hon. member, it is quite true that it was on an opposition day that hon. members opposite raised the question of trade policy. They raised it at a time when obligations outside this House prevented me from participating fully in the debate, but the government position was very ably set forth on that day by my parliamentary secretary.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): He was ably supported by the hon. member for Eglinton who has had extensive experience, as a Privy Councillor and before that as a public servant, with this type of negotiation.

With regard to the business of the House, as the hon. member knows, Bill C-5 is companion to the bill to amend the Bretton-Woods Agreements Act. I would be delighted to move the Bretton-Woods Agreements Act to the committee and talk about international monetary policy, but people in Canada are waiting for this budget legislation to be enacted. The priority for the House is the budget. We have spent over a week on second reading and on the committee stage of the income tax bill, and two full days of debate on second reading with regard to the customs tariff. The time that hon. members choose to take on these budget bills is not only prejudicial to people like pork producers and others but is making it difficult to get on with the heavy agenda of the House.

I feel I would be trespassing on the rule of relevance if I started a long dissertation on the subject of Canada's trade policy. We have a specific bill on which we have had extensive discussion in the budget debate, so I think I should confine my remarks to the terms of this bill and not go into the broader questions that hon. members would like to have canvassed.

Mr. Whittaker: Mr. Chairman, I fully endorse the remarks made by the hon. member for Edmonton West and the hon. member for York Simcoe. I find it a little odd that the minister should say now that we have to rush this bill through, especially since the last time we debated it was October 28. For almost three months he has had it in his back pocket.

• (2030)

Mr. Macdonald (Rosedale): You filibustered it.

Mr. Friesen: Not us.

Mr. Whittaker: I think that if the speeches that we made, in which we pointed out to the government our point of view, were of such a nature that the minister was sensitive about them so that he now wants to call it a filibuster and does not want the other side of the story told, nor does he want to listen to the opposition and to what the people of Canada are saying, and therefore has not brought it back to the House for three months, and now that he has brought it in wants to rush it through, then it is just too bad. I did hope he would have something to say about the textile industry. Things have happened in that industry between the time of the debate on October 28 last and now, and he has not given us any explanation on that.

Nevertheless, I should like to ask the minister some questions about a subject that has been dear to me and about which I have asked question of several ministers of finance ever since I have been here. It concerns the customs tariff on small packages of pesticide. I received a letter from the minister on March 24, 1976, in which he said that his officials were looking at it and that consideration would be given to the matter in the budget. We are now debating the customs tariff changes proposed in the budget that was brought down on March 25 but nothing was done this time, as in the past, nor have I had any explanation as to why something is not being done about this.

Mr. Clarke: I should like to ask the minister a specific question about tariff item 69605-1—scientific apparatus, etc.

Mr. Lambert (Edmonton West): That is in clause 3.

Mr. Clarke: Mr. Chairman, I am advised that this is in clause 3, so I will wait.

Mr. Friesen: As the Minister of Finance is aware, considerable attention was devoted by the Minister of National Revenue to a matter of customs and tariffs regarding groceries, because many Canadian shoppers are going down to Bellingham in the United States and as far south as Seattle to do their shopping. On these shopping trips anomalies in prices become very obvious to shoppers.

I should like to have an explanation of one of these anomalies. Can the minister give me the reason for this? I know many people who would appreciate it. For example, cookies that are baked in my riding neighbouring on the U.S. border sell for 30 cents to 40 cents a pound less in the United States than they do in the very locality where they are baked. Why do they cost less after having been exported to the U.S. than they do right in Canada where they are baked?

Mr. Macdonald (Rosedale): With regard to the question of pesticides, that matter was canvassed in the community at the time in preparation for the budget, and I can say to the hon. gentleman that objections were raised by a number of Canadian producers with regard to a change in this tariff item. It was on the basis of these objections that we concluded we should not make a change at this time.

Mr. Towers: Mr. Chairman, I was wondering, with regard to the remarks of the minister as they related to the pork industry, whether I understood him correctly that he would be dealing with that matter in the proposed budget.

Mr. Macdonald (Rosedale): No, Sir. What I said was that as soon as the bill is passed I will be able to exercise the powers given under the bill to restore the level of protection which, under the bill, was to be reduced. This will be done as a result of representations from the pork producers. We do not have to wait for the budget, but by executive order I would be in a position to do that.

I cannot give an explanation for the marketing practices or the differences in cost on one or the other side of the border. I would point out, however, that item number 63500-1 does reduce the level of protection on biscuits on re-importation to Canada. I cannot explain the specific marketing situation of that commodity in the lower mainland and in northern Washington.

Mr. Whittaker: The minister has used the word "producers". He said that some producers were against it. I wonder if he would clarify that. Does he mean producers of agricultural products who use the pesticide, or pesticide producers?

Mr. Macdonald (Rosedale): I mean the chemical manufacturers in Canada.

Mr. Whittaker: May I make an observation on that? The people who want this tariff removed are the producers of food who use pesticides to produce food and who have very little, if any, tariff on their products. Take, for instance, apples. There is free trade on apples in Canada. If we are not going to protect our agricultural producers to any degree, then why should the manufacturers of products which they use get protection?

Mr. Macdonald (Rosedale): I would remind the hon. member that there is a reference now before the tariff board on fresh fruits and vegetables. The board will be reporting some time during the course of this year. On all these matters it is a trade-off between the interests of different economic groups. In this case we are also looking at the jobs of people employed in chemical manufacturing.

Mr. Johnston: On clause 1, which is general, I should like to inquire whether the minister and his department have given any consideration to the practice which seems to be prevalent in the United States and which might be described as internal dumping. I have an example which has been brought to my attention of a kind of motor that is used in powering large model aeroplanes, model railways, and other models of different kinds. This is a hobby, but it has become a very large one, and the total sum of money spent on these machines is very large. They are not manufactured in Canada and, because

there is a lack of any kind of protection, they cannot really be manufactured here. The distributors who have been importing them find themselves at a disadvantage because they must pay tariff on what is known as a fair trade price.

Having done that, and having brought in supplies, they find to their amazement that the stock they bring in simply becomes an opportunity for would-be purchasers to view the stock and make up their minds about it. They, in turn, can phone to the United States through a zenith number and order the same item for delivery by direct mail from a discount house at a considerably reduced price, a lower price than one on which the distributor would have paid duty. When the item comes to the customs office in Canada, a purchaser pays the duty on the lower price and makes a saving. He is not required to pay the provincial sales tax, and so makes a further saving.

● (2040)

One distributor was in a very difficult position. In order to improve his situation he developed a repair service for these machines, and in a sense that kept the loyalty of his customers, until he was charged duty on the parts he had to import to do the repair work, a service which could not otherwise be provided in Canada. What was developing as a Canadian industry was placed in jeopardy because there was no protection. If Canadian technicians can repair the machines, they can also manufacture them. That is one more example of moving into manufacturing small articles which require a great deal of technical skill, which we have here, but it is not possible because there is no tariff protection.

There are a couple of specific items which I would like to bring to the minister's attention. Is any consideration being given by the federal customs office to collecting provincial sales tax? A person who spoke to me said that otherwise the federal customs office would become a retailer in competition with retailers in the area. Are any moves being made to raise a barrier against internal discounting, where the manufacturer, the wholesaler, and the discounter are all one business, all owned by the same people who, when their own market is saturated, sell to their own discount house, and through it peddle into Canada directly at a great advantage?

Mr. Macdonald (Rosedale): Mr. Chairman, on that kind of transaction where an individual imports, there is a less extensive regime for control than there is when there are imports of commercial scale. The law is the same, but for practical reasons it is not possible to apply it with the full severity which would be applicable in the case of a larger shipment.

The question of valuation is basically one for the Minister of National Revenue. Perhaps the hon. member would like to write to me about that particular point, and I would be quite happy to seek the advice of my colleague.

I make just one remark with regard to provincial sales tax. It may indeed be that individuals are not paying provincial sales tax on those items, but that is not because they are exempt by law; it is because of the practical problem of collecting it. They are, of course, obliged to pay the sales tax.

[Mr. Johnston.]

So far as the Department of Finance is concerned, we do not have any arrangements under consideration at the moment for mutual collection of taxes in this way, although again I would have to inquire of my colleague, the Minister of National Revenue, to see if in her department such a regime is being contemplated.

Mr. Crosbie: Mr. Chairman, I was not here when the original debate on this bill took place, so I did not have the pleasure of hearing what was said. However, I gather the reason for these changes is to lower the tariff on certain items. Could the minister tell me what progress, if any, is being made, or is any attempt being made to negotiate lower tariffs on Canadian fish products in the European Common Market? Can he give me a report on that? Is an attempt being made, and what are the prospects of success? As the hon. gentleman knows, there is a considerable tariff on Canadian fish products going to Europe, and this is where we have to put some of our effort in the next three or four years.

Mr. Macdonald (Rosedale): The best description I can give to the hon. gentleman, who was not here at the earlier stages of the debate, is that this is a continuation of the reduction of tariffs on many consumer items imported into Canada, principally food items, for the purpose of the over-all anti-inflation campaign.

With regard to the negotiations at the Geneva round, I indicated to the hon. member for Edmonton West a moment ago that this might not be an appropriate discussion because it does not relate to this particular bill. However, I would be glad to discuss this with the hon. gentleman in the House at some future time.

Mr. Friesen: Mr. Chairman, there is another matter which is a continual nuisance and grievance to sportsmen in the country, and that has to do with the need to import cartridges, primers, and charges for sport shooting. For skeet shooting especially a lot of ammunition is needed. Much of this material is no longer made in Canada. CIL does not manufacture it any more, so these sportsmen have to go to the United States to get their primers, and I suppose also the charges and cartridges. The main question in their minds is, why is there duty on them in the first place since they are not manufactured in Canada? It certainly cannot be a protective tariff, and I suppose we have to assume—and perhaps the minister can correct me on this—that it is a revenue producing tariff and that that is its only justification. At any rate there are many sportsmen who are wondering why there is this tariff since these items are not manufactured in Canada.

My second related question is, if there has to be a tariff, why are there three or four different scales of tariffs on the items? Why is it that on one item it is about 7.5 per cent and on another one 15 per cent? I believe the tariff is as high as 32 per cent on some of these items. If there has to be a tariff on these cartridges and primers, why can there not be an across the board tariff so that all they have to do is pay a flat rate on this sports equipment? Why do there have to be excessive 30 per cent or 40 per cent tariffs on some of the items, since they

are not manufactured in Canada in the first place? It seems to me these people are being penalized because there is not an industry in Canada which will produce these items.

Mr. Macdonald (Rosedale): Mr. Chairman, I am reminded that the highest rate of tariff in Canada is about 20 per cent. There is a series of tariff items dealing with ammunition in a broader sense. It is not infrequent that with the shift in commercial competition, particular lines may be dropped. I suppose what the hon. member is really suggesting is that we should have separate tariff items for primers which, as he says—and I do not question him—are not manufactured in Canada, but of course there are other kinds of ammunition which are manufactured here, and it is to provide both actual protection and a protective opportunity to Canadian industry that the tariff item is there.

Mr. Friesen: For those items which are not manufactured in Canada is it not possible to drop that tariff entirely?

Mr. Macdonald (Rosedale): I have not examined the individual items in detail, but it may well be that what the hon. gentleman is suggesting—that is, that those which are included in a broader item should be segregated out and, in effect, that a new item should be created—could be dealt with in the budget considerations which are now under way, and perhaps I could undertake to examine this particular question. If the hon. gentleman would let me have a more precise description of the various items and indicate those which, to his knowledge, are manufactured in Canada and those which are not, I would be delighted to examine them.

Mr. Friesen: Will do.

Mr. Stevens: Apparently the minister is disinclined to give us any explanation tonight concerning the pending or current negotiations in Geneva. I wonder if the minister could at least give us an undertaking that he will take up with the government House leader the possibility of having a reference of our trade negotiations as they now stand, with particular reference to what is happening in Geneva, to our Standing Committee on Finance, Trade and Economic Affairs so that we may have a meaningful review of what the government is doing on behalf of Canada in Geneva.

Mr. Macdonald (Rosedale): I would be quite happy to discuss that with the government House leader. It is going to be an important consideration during 1977 as the tariff negotiations get under way again in Geneva. It may interest hon. members to know that the new United States Secretary of the Treasury was the prime negotiator for the United States at the Kennedy Round; in that sense I would look forward to an early meeting, to learn from him his approach to the Geneva round of negotiations.

● (2050)

Mr. Stevens: Mr. Chairman, would the minister confirm that he is the minister in the government who has over-all responsibility for the GATT negotiations, and that Mr. Gray asks him for instructions as to what action to take in Geneva?

Mr. Macdonald (Rosedale): Mr. Chairman, Mr. Gray, of course, was an official of my department. I would say that responsibility for the operation is shared by three departments: My own is the department responsible in particular fo the customs tariff; the Department of Industry, Trade and Commerce is responsible from the standpoint of Canada's over-all trade position and the position of Canadian industry; and the Department of External Affairs has responsibility for Canada's foreign relations. It is, therefore, not the decision of a single department; rather, the work of the government in this respect is co-ordinated primarily between those three departments. I would add that the Department of National Revenue is responsible for the practical application of the customs tariff which this parliament enacts; it also has other responsibilities. The anti-dumping tribunal reports through me to parliament, as does the Tariff Board. A number of different departments are affected in the government of Canada, and responsibility is shared among them in that way.

Mr. Kempling: Mr. Chairman, are the items covered by Bill C-15 covered by the commodity coding system used by the Department of National Revenue?

Mr. Macdonald (Rosedale): Mr. Chairman, I cannot say if the answer is in the affirmative. I will look into it in the next few minutes.

Mr. Stevens: Mr. Chairman, while I realize that various departments of government are involved in providing total input with regard to the GATT negotiations, I wonder if the minister can confirm or otherwise if his department co-ordinates the activities of the other departments and has the responsibility of handling the instructions and communications going to our negotiators in Geneva.

Mr. Macdonald (Rosedale): Mr. Chairman, it is not unique. For the reasons I have indicated, the responsibilities of several departments are involved in this. I do not think one can say, in respect of a day's operations at Geneva, that it is specifically the final responsibility of any one department; however, as Minister of Finance, for the reasons I have indicated, I have responsibility for the customs tariff; and the primary purpose of the Geneva round of course is to negotiate lower levels of tariff.

Mr. Stevens: Mr. Chairman, may I draw the attention of the minister to tariff items 8717-1 and 8728-1, as referred to in clause 1 and schedule I. The first item mentioned deals with onions; they are to be allowed in free under the British preferential tariff; there is a tariff of 1.5 cents per pound under the most favoured nation tariff, and a tariff of 1.5 cents per pound under the general tariff. The second item to which I referred deals with green onions, and the tariffs set out are exactly the same, under those three headings. Is the minister familiar with the tariff charged by American authorities for comparable items? In short, we know from the schedule what

tariff is charged against American goods entering this country. Can the minister say what tariffs the United States authorities charge on comparable goods entering that country?

Mr. Macdonald (Rosedale): Mr. Chairman, we do not have the American tariff at hand. Of course we are now looking at the Canadian tariff, but I would be prepared to get that information for the hon. member.

Mr. Stevens: I always like to be helpful, Mr. Chairman. I have the American tariff before me; it happens to be 1.75 cents per pound. Consequently I understand that our bags of onions entering the United States face a tariff of 87.5 cents, whereas, in accordance with the tariff we are now considering, the total tariff we shall charge with respect to American produce entering this country will be 75 cents per bag. Therefore there is a differential of 12.5 cents weighted against the Canadian producer of onions. I wonder if the minister would indicate why there is this discrepancy?

Mr. Macdonald (Rosedale): Mr. Chairman, I cannot really give the hon. gentleman an explanation of why the rates would not match. I notice that we have made some sales in the American market in recent years although, for obvious reasons, the nature of our climate and the fact that our growing season is short, the volume of produce from Canada going to the United States market is very much smaller then that coming in the other direction.

Mr. Stevens: Mr. Chairman, has the minister discussed with or had overtures from the onion producers of Canada, more particularly the onion producers of Ontario, who have indicated to me that they would like to see parity between American and Canadian tariffs since this would enable them to be more competitive in the U.S. market.

Mr. Macdonald (Rosedale): Mr. Chairman, this is one of the items in the fruit and vegetable reference which is now before the Tariff Board. With regard to specific changes proposed, the Canadian Horticultural Council did not oppose the original reduction after the February 19, 1973, budget, although the council did oppose the reduction proposed in the November 18, 1974, budget, and offered to provide additional information on the subject. No further representations have been forthcoming since that offer.

Mr. Stevens: Mr. Chairman, this is a most important matter to the 300 Ontario onion growers who this year alone will produce nearly three million bags of onions. Could the minister indicate whether those tariff items which we are now considering could be altered, if a fair case were to be made for the alteration, despite their passage in their present form, say this evening? I understand that our producers would like something to happen. They want to see the Americans lower their duty to the Canadian level; or they want us to raise our tariff to the American tariff level; or, third, they are in favour of both tariffs being abolished entirely. In short, it is apparent that our producers are confident that they can compete and, if the tariff barrier could be removed, they could stand American competition and even tap the American market and, hopefully, expand those trade figures to which reference has already been made.

Mr. Macdonald (Rosedale): Mr. Chairman, several stages will have to be gone through. Of course the purpose of the fruit and vegetable reference is to determine better the impact on the Canadian market of the tariffs in question; this would affect not only consumers but, of course, Canadian producers. Second, on the basis of the results of the Tariff Board examination, this could well be a matter for negotiation in the Kennedy Round. However, I would say that the question of agriculture has not yet been broached in the Kennedy Round negotiations. One could almost say it has been so important and critical between the major trading partners that it has not been approached, but it will obviously have to be, to bring that negotiation to a finish.

● (2100)

Mr. Ritchie: Mr. Chairman, I wish to ask the minister a question with regard to a similar problem. It relates to flax, a crop grown in a relatively small area of Manitoba, Saskatchewan, and the Dakotas. There is a 50 cent duty on flax moving into the United States. I understand there is no duty on flax coming into Canada from the United States. This is a small crop in terms of volume, a few million bushels. The price in the two countries is generally the same, but conditions such as shipping orders and so on make a difference. I believe the flax producers have asked that the 50 cents a bushel tariff on Canadian flax going to the United States be removed or at least equalized. If possible, it would be preferable to remove it. Perhaps the minister can make some comment on this.

Mr. Macdonald (Rosedale): Mr. Chairman, that would be a subject for negotiation when the agricultural items come up before the Geneva round. If I could just refer to the question asked by the hon. member for Halton-Wentworth, I take it the question refers to the Statistics Canada commodity codes in this respect. The items here would be covered by the commodity codes. These items are rather narrower in definition generally speaking than the broader commodity codes, but the commodity codes obviously would cover these.

Mr. Kempling: Mr. Chairman, I do not know them as Statistics Canada commodity codes, only National Revenue because National Revenue produces a catalogue. It is a little more detailed than Statistics Canada commodity codes.

Mr. Friesen: Mr. Chairman, I wonder whether the minister can inform us if the Horticultural Association made any representation regarding imports from Taiwan and Korea on such items as mushrooms, wax beans, and green beans. The price level at which these products are coming into Canada is destroying the agricultural economy. Certainly on the west coast it is really hurting it. Will the minister inform us whether there has been any representation by the Horticultural Association on that tariff item?

My second question is with regard to an arrangement between Canada and the United States on the matter of potatoes. The minister can correct me if I am wrong. Under the GATT agreement there is a kind of reciprocating tariff arrangement between Canada and the United States on potatoes. The quota for Canadian shipments into the United States is really quite low. The American quota for shipping into Canada is really quite high. Regardless of the percentage rate of the tariff, it is really a restrictive tariff for Canadian potatoes to be shipped into the United States. However, the Americans can ship high volumes from Idaho and Washington. With their mass production and corporate farming they can inundate the Canadian market and are doing so, mostly with their cull potatoes. They can sell high grade potatoes on the market in the United States, take their culls and literally dump them in Canada, ruining the Canadian potato industry in British Columbia. Can the minister give some answers on that?

Mr. Macdonald (Rosedale): Mr. Chairman, the hon. member is quite right. The Canadian market is more open than the American one in the sense that we have a much less restrictive quota. Again, this is something which is under consideration, the fresh fruit and vegetable reference. On the question of representations with regard to mushrooms, this has been a matter of substantial representation. I would have to check the record to see if the Canadian Horticultural Association itself actually made the representation. I certainly know that others have. I can also check the record with regard to wax beans.

Mr. Friesen: Are there definite plans for changing the agreement with the United States on the matter of export and import potatoes so that the Canadian potato industry will have a little more protection from the American high volume?

Mr. Macdonald (Rosedale): Not until we have the assessment of the Tariff Board. Of course it would be appropriate to do it within the context of the Geneva round.

Mr. Stevens: Mr. Chairman, if I could go back to my questioning with regard to onions, will the minister indicate to us exactly what we can do here tonight? As I understand it, the onion producers are saying that there are three alternatives—let us have both nations go down to zero, let us have the Americans reduce their tariff to our level or, alternatively, increase our tariff one and one half cents to the American level. Can we tonight actually amend the tariff to go to the American level, or is this subject to the GATT negotiations?

Mr. Macdonald (Rosedale): Mr. Chairman, that is a bound tariff under the GATT.

Mr. Friesen: Mr. Chairman, there are two more items about which I would like to ask the minister. One is the matter of fresh lettuce. There is a tariff arrangement between Canada and the United States on this matter. However, all too often the tariff is imposed when it is almost too late to save the Canadian market. The low tariff on the American or Mexican product coming into Canada stays on just long enough until the Canadian product is coming on the market. By that time it is too late to save the Canadian market. The protection does not come on in time. Since there are different marketing conditions and weather conditions, for example, between the west coast industry and Ontario, would it be possible to have the regional tariffs come in at different times of the year and let the local boards adjust those tariffs so that they would be sensitive to the marketing conditions of their areas and thereby protect the farmers in particular localities?

My second question relates to frozen vegetables. Food processors on the west coast in particular have a high inventory of frozen vegetables. It will be almost impossible to market them by the time the next crop comes on stream because of the competition from the United States. Is something going to be done with regard to tariffs on processed vegetables, especially in the frozen state, in order to protect the jobs of Canadians, not only in the farming industry but in the food processing industry?

• (2110)

Mr. Macdonald (Rosedale): Mr. Chairman, there is a regional variation under the tariff arrangements with regard to fresh fruits and vegetables. For example, the hon. member for York-Simcoe was referring to onions under item 8717-1. Lettuce is not mentioned in this bill, but there are variations between the maritimes, eastern Ontario and Quebec, and the Lakehead and West. So there is a wide scope for regional variation. The hon. member will note that a number of items refer to frozen vegetables of various kinds and there is some reduction in the tariff. As I said earlier on, it has been in effect on a temporary basis for a number of years.

Mr. Friesen: Could lettuce be included in that regional variation?

Mr. Macdonald (Rosedale): It is.

Mr. O'Connell: Mr. Chairman, could the minister give us an estimate of the impact of these tariff changes, particularly with respect to the British preferential tariff and the most favoured nation tariff, on the general system of preferences, since the two are related? I am thinking particularly of some of the items I see listed on page 13—typewriters, typewriter parts, spectacles and eye-glasses, carpet sweepers, electric vacuum cleaners and attachments, and so on. The list includes power lawn mowers, electric irons, electric lamps, electric lamp fixtures and so on. In other words, there is a range of manufactured items not only in the electrical manufacturing field but in other secondary industry. I ask this question in light of the fact that the general system of preferences grants to the developing countries—that is, the non-Commonwealth countries—the British preference or the most favoured nation tariff less one-third. Thus, if we are changing these tariffs we are also changing the level of the general system of preferences.

It is very difficult to follow from the tables provided here what change is granted under, say, the British preference and

therefore, by extension, what is granted to the developing countries. I ask this question particularly in the light of the shrinking employment picture in some of our industries, especially the electrical manufacturing industry.

Mr. Macdonald (Rosedale): Mr. Chairman, I am not sure I fully grasped the hon. gentleman's question but I can say that the general system of preferences is unaffected by the bill before us. The preferences as given under the general system are either one-third off the most favoured nation rate or the British preferential rate, whichever is the lower. Without these particular reductions the MFN or BP rate would apply, so the general system of preferences will, speaking generally, be more favourable to developing countries which are entitled to it than the BP rate on the same commodity.

Mr. Lambert (Edmonton West): Would the minister comment upon the effect of clause 5(3) on section 1 of the act? I ask this because he may recall that the effect of section 1 is that those changes in the tariff in the items outlined in subsection (1) will continue until June 30, 1977, that is to say, they will expire in approximately five months. The rates then go back to those which prevailed on February 20, 1973, and as of July 1, unless something is done in the next budget, the rates will revert to those of February 20, 1973. Perhaps the minister's director of tariffs can tell us in reference to all these items which appear in schedules I, II and III whether the rates were higher or lower, or is there an evening off?

Mr. Macdonald (Rosedale): I am advised that it only applied to Schedule I and that the rates were higher.

Mr. Lambert (Edmonton West): Therefore as of July 1, 1977, the effective rates will be higher?

Mr. Macdonald (Rosedale): Unless further action is taken in the meantime, it will be higher.

Mr. Stevens: Mr. Chairman, returning to item 8717-1, it appears that we cannot tonight amend the bill and that if this is to be changed it will have to be changed in the current negotiations in Switzerland. Could the minister indicate what ongoing discussions take place with respect to this type of item, fruits and vegetables generally, to ensure that there is a proper understanding between our negotiators and those who are actually in the business of producing these items in Canada, as negotiations continue in Geneva?

Mr. Macdonald (Rosedale): Apart from the representations from organizations such as the Canadian Horticultural Council, to which I have referred, there is of course the ongoing work of the Canadian Tariffs and Trade Committee which has been engaged in cross-country contact with regard to the reduction of items in the Geneva negotiations.

Mr. Stevens: Would the minister give the House an undertaking that he would inquire of those two bodies as to the current feeling with respect to the tariff on onions as I understand there is quite a serious problem, especially for Ontario onion growers, at the present time? I feel that whatever benefit their thinking can bring should be available to our negotiators in Geneva.

Mr. Macdonald (Rosedale): Yes, Mr. Chairman.

Mr. Stevens: Perhaps I can move on to another item under clause 1—number 9800-1, bananas. Can the minister tell us where the bulk of our bananas come from? I notice there is a free tariff with regard to British preferential countries and most favoured nations, but the general tariff is a dollar per hundred pounds.

Mr. Macdonald (Rosedale): The bulk of the bananas we import comes from MFN countries, in particular, Costa Rica, Equador and the Honduras.

Mr. Stevens: Mr. Chairman, there is a further item I should like to question. It is 92942-4—caffein and its salts. This is free under the British preferential tariff, 10 per cent under the most favoured nation and 25 per cent under the general tariff. Would the minister indicate where the imports of caffein and its salts come from? The item is on page 18, 92942-4.

Mr. Macdonald (Rosedale): The bulk of the imports come from the European Economic Community. The source is not segregated as countries.

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Schedule A further amended.*

Mr. Lambert (Edmonton West): In connection with this clause, Mr. Chairman, there has been a great deal of correspondence with the minister. I know that many of my colleagues like the hon. member for Winnipeg South Centre—anyone indeed, who represents a riding in a city in which there is a university—

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Lambert (Edmonton West): —has received extensive correspondence regarding item 69605-1. It arises out of the bulletin which was issued by the Department of National Revenue with regard to the very narrow interpretation being used. I do not know whether, as a result of representations, the bulletin has been suspended. If the minister looks at the item on page 22, in the middle of the item there is reference to "preparations", and then follows the change "including containers in which imported, for use directly in research". The word "teaching" has been dropped.

● (2120)

I have before me a letter from a professor of surgery in the Department of Surgery of the University of Alberta. I have other letters from the Department of Chemistry of the University of Alberta, from Calgary and many other places. The first letter to which I referred has this to say in part:

> Many departments in this University maintain stores of scientific supplies and this is necessary in view of the lengthy delays often encountered in obtaining items ordered from the scientific supply houses. While much of these stocked

supplies go towards research work, some are used in teaching. Since, in fact, it is very difficult to separate out the teaching and research functions of a University it will not be possible to prepare the required statements for the tariff exemption.

For example, the Health Sciences Animal Centre in my Faculty uses some $60,000/annum worth of specialized animal feeds. While the overwhelming majority of the animals are used in research, some are used in teaching. With some hundred scientific investigators using the facilities of the Centre for an even larger number of projects, honest production of the descriptions of the research and use of the prepared feed will just not be possible. The result will be about a 30 per cent rise in animal feed costs or $20,000/year raising animal charges to users about 20 per cent.

I have another letter from the Department of Chemistry of the University of Alberta which states that this change will cost them $64,000 a year more. The same figures are given by Calgary and Manitoba.

I also have a letter written by the minister which says this, in part:

I appreciate that this amendment is causing problems for universities, hospitals and their suppliers of preparations. Officials in my Department are discussing this matter with officials in the Department of National Revenue who are responsible for the administration of this provision.

A meeting was also held recently between officials in my Department, the Department of National Revenue and representatives of the universities. It was agreed that the administration of the new provision would be re-examined. My officials will report back to me shortly at which time I will be in a better position to decide whether a further amendment to the item will be necessary.

I await the answer, Mr. Chairman.

Mr. Macdonald (Rosedale): Mr. Chairman, to complete the public record on this, the item in question was affected by a Tariff Board decision rendered in July, 1976, and the new provision has been much more restrictive than was intended by the government. I would therefore be proposing to take action to give it the less restrictive meaning that was originally intended and for this purpose to seek a remission order pursuant to section 17 of the Financial Administration Act.

Mr. Lambert (Edmonton West): May I ask specifically how the minister intends to proceed? The wording is there and the word "teaching" no longer applies. I assume the effect of the Tariff Board decision was that the exemption be applied only to those materials that go into research. It is true that the minister can take, shall we say, compensating action, but it must be done in two ways. First of all, the item has to be amended, I think, in order, shall we say, to eliminate the effect of the Tariff Board decision; otherwise the Department of National Revenue will have to carry on. Secondly, for this year, or whenever the amendment might come in, the minister is going to take the remission procedure.

If he follows the remission route it is going to be a real headache for everyone concerned. The paperwork involved is out of this world. Universities and hospitals complain that to keep track of these preparations and foods, and so on, for animals either used in research or in teaching, it will cost so much in paperwork alone plus, of course, the duty that will have to be paid. If they are to go along the remission route they will be required to apply to the Department of National Revenue for reimbursement of the amount they have had to pay.

It may be that the Department of National Revenue has suspended collection, but I do not know what route can be used by those people who, unfortunately, have to be put through this bureaucratic grist mill as a result of the Tariff Board interpretation.

Mr. Macdonald (Rosedale): Mr. Chairman, as I have said, this can be achieved by remission at this point. To complete discussions for our next budget in several months' time, we hope to propose wording which will be mutually satisfactory to all concerned and which would provide the ongoing assurance that a less restrictive interpretation will be given. Therefore I propose to recommend to the Governor in Council that remissions be available in the interim until there is some agreement on the most effective wording to attain the objective that we set out to attain.

Mr. Lambert (Edmonton West): In other words, for the time being we will have to wear the hair shirt?

Mr. Macdonald (Rosedale): For the time being you will have to wear the hair shirt, recovering some of the hair afterwards.

Clause agreed to.

On clause 4—*Schedule C amended.*

Mr. Stevens: Mr. Chairman, because of the peculiar wording of Schedule IV, referred to in clause 4, I was wondering whether we could have some explanation from the minister. Item 99206-1 reads:

Goods manufactured or produced wholly or in part by prison labour, unless in any particular case or class of cases exempted from the provisions of this item by a regulation of the Governor in Council.

Mr. Macdonald (Rosedale): Mr. Chairman, this item now prohibits the importation of all goods produced by prison labour unless exempted by the Governor in Council for further manufacture in Canada. The item is being amended to allow the Governor in Council to exempt goods from prohibition in other circumstances and we are attempting to simplify the wording at the same time.

Two cases where it might be considered desirable to have prohibition are when they are being imported for public exhibition, or when Canadians return from visits to other countries having purchased goods of this kind without knowledge of the prohibition or the fact that the goods have been made by prisoners.

I should explain that the item was introduced in the late nineteenth century, and it appears that the item was designed at the time to protect Canadian manufacturers from imports of goods produced by cheap prison labour. It was amended in 1953 to allow the Governor in Council to import exempt goods when they were required for further manufacture. However, no exemption of this kind has in fact ever been made.

That is the basic background. Some people may be inadvertently importing into Canada goods of this kind—inadvertently in the sense of not knowing they were produced by prison labour, or for public exhibition—and this gives the Governor

in Council the opportunity to make those exceptions from the general prohibition.

Mr. Stevens: The minister says "for public exhibition". I just do not follow what are the circumstances under which we would want to have goods coming in which have been produced by prison labour. What type of exhibition is the minister referring to?

Mr. Macdonald (Rosedale): Handicrafts, paintings, works of art of that kind which may have been produced by prison labour in other countries and originally imported into Canada. It may be a rather esoteric interest on someone's part, but one cannot tell; there may be an artistic genius currently reposing in custody.

Mr. Stevens: From the practical standpoint, Mr. Chairman, would the minister indicate to what extent these goods are inadvertently, as the minister says, imported by these unsuspecting souls?

Mr. Macdonald (Rosedale): There have been cases, I am advised, but I am sorry, the actual figures are not available.

Clause agreed to.

On clause 5—*Commencement.*

Mr. Macdonald (Rosedale): Mr. Chairman, I might just indicate that hon. members will have noticed that when introduced at the first reading stage, the bill had a number of blank statements in it, both in clause 5 (2) and Schedule I. I would like to suggest that it might be appropriate that they be filled in for this purpose. My understanding is that the suggestion from the Chair is that they could be treated as corrections of a typographical error, but perhaps you could advise me on that, Mr. Chairman.

● (2130)

The Chairman: I do not see any difficulty if the committee agrees, otherwise we would have to do it by amendment. What date is the hon. minister suggesting? Is it the date of first reading?

Mr. Macdonald (Rosedale): October 14, 1976.

Mr. Lambert (Edmonton West): Under the circumstances, Mr. Chairman, we might agree to this as long as it does not serve as a precedent. It could have been the 14th day of October, 19, and then blank. Then, of course, we could insert years, and that could hardly be considered a minor correction. I can readily understand why October 14 is included, but I would not like this procedure to be used as a precedent, particularly if the gap were to come expressed as a month or year.

The Chairman: Does the committee authorize the Chair to make this type of correction to Clause 5(2), including the date "14th"?

Some hon. Members: Agreed.

[Mr. Macdonald (Rosedale).]

The Chairman: Shall Clause 5 carry?

Some hon. Members: Agreed.

Clause agreed to.

The Chairman: Does the committee agree that we make the same correction to Schedule I at page 8?

Some hon. Members: Agreed.

On Schedule I.

Mr. Stevens: Mr. Chairman, as the minister has indicated, the items I specifically referred to, 8717-1 and 8728-1, are in fact unamendable in that they are subject to an international agreement. I was wondering whether the minister would indicate if there are any items in this schedule that are amendable, or are they all structured in that way and only changeable as a result of negotiation in Geneva?

Mr. Macdonald (Rosedale): Indeed, you could go back through these particular items and find they are bound items back to February 14, 1973. The hon. gentleman's question was with regard to a basic amendment that was in force. The basic tariff provision that was in force on that particular day was a bound tariff under GATT. This particular bill substantially reduces from that bound level to a lower level. Of course, we could by amendment this evening increase them. We could, with appropriate amendments to the ways and means resolution, increase the tariff protection again up to the February 14, 1973, level.

Mr. Lambert (Edmonton West): I am somewhat puzzled by the minister's answer to my colleague, the hon. member for York-Simcoe. Surely it is open to an hon. member to amend a taxing statute providing he reduces the amount of the tax. We have done that on a number of occasions. It seems to me that also, subject to I suppose what might be an agreement, there could be other amendments. The government did not seem to be bothered a few years ago during the Kennedy Round agreements having regard to negotiated reductions in tariffs on industrial chemicals. The former minister, Mr. Benson, telescoped three or four years into one in the second year of the phased reductions on industrial chemicals as a step to combat inflation, making things cheaper on the domestic market. The phasing was dropped very quickly for those years.

The government took that action and it was subject to an agreement that it would be for five years. How does the government then suggest it has the power to change unilaterally the agreement, while a member cannot? If that is the case and it is proper for the government, then surely it would be open to a member here to make a proposal which, if the House agrees, would provide for a unilateral change. I would like to hear an explanation. I may be wrong in my logic, but if the government has the power to amend unaliterally an international agreement like that, surely this House, on the proposal of an hon. member to do the same thing, would have the same sort of power to do precisely the same thing.

Mr. Macdonald (Rosedale): I am not sure that we are addressing ourselves to the same thing. The hon. gentleman has suggested as one alternative increasing the Canadian tariff on onions. It was in that particular circumstance that I indicated this is one of the rates that had been brought down in February, 1973, which we could move back up again by executive order.

Mr. Friesen: Mr. Chairman, this is one matter I have not been able to check. I have not looked through the list thoroughly, but I do not seem to find any items relating for example to wheelchairs or any other equipment for paraplegics in any of the schedules. Could the minister give us some indication as to whether these are dutiable items and, if they are, whether it would be the fair, equitable and honourable thing to do if we removed these items?

Mr. Macdonald (Rosedale): I am advised, Mr. Chairman, that quite a few of the items *sui generis* such as wheelchairs referred to by the hon. gentleman are now duty free. Some of them bear a tariff up to a maximum of 10 per cent, so there are some of these devices still in that category. The reason, of course, is that there are some Canadian manufacturers in this area, and it will represent in a particular case a judgment as to whether that protection should be taken off in the interests of those with an affliction.

The Chairman: Shall Schedule I carry?

Some hon. Members: Agreed.

Schedule I agreed to.

On Schedule II.

Mr. Goodale: Mr. Chairman, I should like to draw the attention of the committee to item no. 40964-1 which appears at the bottom of page 19 in Schedule II, electric or radio apparatus designed to identify livestock and record their consumption of feed on an individual basis and parts thereof. About a year ago some constituents of mine engaged in livestock operations had occasion to raise their concern with me about the fact that equipment of that particular kind was dutiable. They pointed out that this was a new kind of equipment that involved some very important innovations in technology. It was obviously the kind of equipment that had great potential value for the livestock industry and was a kind of equipment not manufactured in Canada. They therefore made representations to me, and through me to the minister, with respect to the duty involved. On their behalf this evening I should like to take this opportunity to express appreciation to the minister for the consideration he has shown in eliminating the duty that would otherwise have been payable on these items.

● (2140)

Schedule II agreed to.

Schedules III and IV agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Ethier): When shall the bill be read the third time?

Mr. Knowles (Winnipeg North Centre): Now, by leave.

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

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

* * *

EXCISE TAX ACT

MEASURE TO AMEND

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-21, to amend the Excise Tax Act, be read the second time and referred to Committee of the Whole.

He said: Mr. Speaker, in introducing this bill I would remind the hon. members that my colleague, the Minister of Energy, Mines and Resources (Mr. Gillespie), tabled a document entitled "An Energy Strategy for Canada—Policies for Self-reliance" in April of this year. In this document the government stated its objective of energy self-reliance, indicated a series of specific energy targets, and enumerated nine policy elements and priorities. These priorities included appropriate energy pricing, increased exploration and development, increased research and development and energy conservation. One of our goals is to reduce the average rate of growth of energy use in Canada over the next ten years. Energy conservation initiatives, including both tax incentives and tax penalties, form an important part of the government's policy of energy self-reliance.

This bill provides for the removal of federal sales tax from a number of items which contribute to the conservation of energy and to the development of new sources of energy. Included in this list are such items as solar furnaces and heating panels, heat pumps and wind-powered generating equipment. The current exemption for thermal insulation materials for buildings is extended to include thermal insulation materials designed for use in the insulation of pipes and ducts in buildings and mechanical systems.

The purpose of the removal of federal sales tax from the items referred to above is to promote the conservation of energy by encouraging the use of higher efficiency heating equipment, increased use of thermal insulation to reduce heat loss, and the development and application of new equipment designed to derive energy from other non-traditional sources. Provision is also made for the Governor in Council to prescribe, by regulation, additional equipment, articles or materials to be energy conservation equipment exempt from federal sales tax. This provision will facilitate prompt action to provide relief from tax when new items which can contribute to Canada's over-all energy conservation program become available on the Canadian market.

The bill also contains measures to deter wasteful energy consumption by increasing the special excise taxes on high

energy-consuming vehicle and by imposing a new special excise tax on automotive air conditioners. The weight threshold above which the tax takes effect is reduced to 4,425 pounds for automobiles and to 5,000 pounds for station wagons and vans. In addition, the rates of tax applicable to vehicles which exceed their respective weight limits are increased to $30 for the first 100 pounds, $40 for the second 100 pounds, $50 for the third 100 pounds, and $60 for each additional 100 pounds in excess of the weight limit. The purpose of the tax is not to raise revenue but rather to encourage Canadians to demand, and the auto industry to produce, lighter, more energy-efficient cars.

In this regard, the ways and means motion tabled at the time of the May 25, 1976, budget provided for progressive reductions in the weight threshold with the result that, under a mature system, taxes amounting to as much as $1,000 would be imposed on the largest cars weighing approximately 5,300 pounds. Since the budget I have met with representatives of the auto industry and officials of my department have held extensive discussions with these representatives. Indeed, some discussions have been going on as a result with my colleagues, the Minister of Industry, Trade and Commerce (Mr. Chrétien) and the Minister of Energy, Mines and Resources and their officials with respect to this energy incentives tax. As a result of these discussions the government has been persuaded that an alternative form of tax based on vehicle fuel consumption rather than weight should be explored further by the industry and those within the government with responsibility for energy conservation.

To provide sufficient time for an in-depth study of this alternative, it was decided that the impact of the proposed tax changes should be reduced. For this reason the bill provides for a reduction of 75 pounds in the automobile weight limit and a reduction of 100 pounds in the weight limit for station wagons and vans, rather than the reductions of 250 and 350 pounds respectively proposed in the May 25 budget speech. The reductions in the weight limits and the increases in rate of tax applicable to vehicles in excess of the weight limits are effective as of September 1, 1976.

The further reductions in the weight threshold proposed in the May budget to come into effect in 1977 through 1979 will not be implemented at this time. I lay some stress on the words "at this time" because the one-year adaptation of the new rule was made specifically on the understanding that efforts would be made to move to the alternative means of gauging and preserving further energy consumption. I have left myself room for action in the current year, if there is no progress in this regard, to bring back measures like those originally proposed in the budget speech or, alternatively, one which would seem to be most effective to achieve the same end.

While the changes initially proposed will not be proceeded with in the current year it has really been a question of time to enable those concerned with this question to put into place proposals with respect to an alternative method of gauging energy conservation. The significant deterrent to the purchase and hence the production of energy-inefficient automobiles which we have in mind will be implemented following completion of the joint government/industry study of a more effective method of implementing the policy. These will be complementary to the fleet-weighted mileage requirements announced earlier this year by my colleague, the Minister of Energy, Mines and Resources.

• (2150)

[*Translation*]

Mr. Speaker, the amendment pertaining to the special $100 dollar excise tax on air conditioners for cars, station-wagons, vans and light trucks is another measure to promote energy conservation. Automobile air conditioners have a marked effect on gas consumption, either directly, by using the car engine as power source or, indirectly, by adding weight to the vehicle. Studies show that in the case of heavy cars made in Canada and equipped with air conditioners, there is an average annual increase of 4 to 6 per cent of gas consumption as compared to that of similar vehicles without conditioners. In the case of smaller vehicles, gas consumption can go up by as much as 20 per cent if the car is equipped with an air conditioner.

On a technical point of view, the bill provides for a tax at the wholesale level so that taxpayers holding wholesale licences can buy merchandise subject to the excise tax without having to pay that tax when purchasing the goods. They are then required to pay the tax when they sell the goods, just as wholesalers holding licences must nowadays pay the sales tax on goods subject to the federal sales tax. This measure would cut down the administrative costs of taxpayers who previously had to fill out reimbursement claims since they are buying goods subject to an excise tax and which can be sold tax free.

[*English*]

Mr. Speaker, after these brief words of introduction let me say in conclusion that the bill provides for important new measures to supplement those already in place to encourage greater conservation of energy by Canadians by penalizing wasteful or less essential uses of our energy resources, and by encouraging the development and the use of energy sources other than the scarce fossil fuels. On this basis I would commend it to hon. members.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, there is very little time left to me before the adjournment tonight, and I know that my colleagues tomorrow will talk on various subjects as they arise. First of all, however, I should like to say that I trust that some of them will take up the matter of the implementation that is imposed on so-called small business. Years and years ago, eons ago as a matter of fact, the $3,000 limit on any manufacturing establishment was imposed which exempted any business producing less than $3,000 worth of goods in any one year from collecting, charging and remitting sales tax. Inflation has taken care of that limit, but it has not been changed.

It seems to me that an equitable value at this time would be between $10,000 and $15,000. One can hardly sneeze without

being charged $10,000. I know the hon. member for Waterloo-Cambridge (Mr. Saltsman) will bring up something else in the same range, rehabilitation shops, handicraft shops, and so forth, very small businesses. I am sure that the Minister of State for Small Business (Mr. Marchand) would second my proposal here, but I will let my colleagues develop this further.

There is one particular point that I want to raise which arises in the latter part of the bill under the energy conservation equipment, where there is a change. A provision in an earlier budget, which is in section 17 of Part 11 of schedule III, refers to thermal insulation materials. At that time it was designed exclusively for the insulation of buildings. This time the minister has extended it to include pipes and ducts used in buildings, in mechanical systems, etc. The minister and I have exchanged correspondence, and I have also exchanged correspondence with the Minister of National Revenue (Miss Bégin) on the interpretation of this wording. I have letters dated up to mid 1976, prior to the budget, in which the minister indicated that the recommendations I made with regard to certain products would be taken into account. Nevertheless, not a word was changed; the same fundamental error was continued.

There are some types of insulating thermal materials which have to be put together, they cannot stand in a free form, and somebody says there is another design. They become a panel, and since they stand up between the joists, or if they are used on a roof, they provide structural strength, and they are said not to be designed exclusively for insulation. I say, poppycock! There is no way, for instance, you can take wheat straw, which is subject to heat and steam pressure, and press it together into a board two inches thick so that it will be rigid, but all it provides is insulation. There has been turning and twisting of words, an abuse of the English language so that all possible artificial meanings have been attributed to the wording. This material was designed exclusively for insulation.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Lambert (Edmonton West): May I have one minute more, Mr. Speaker, because I will not be here tomorrow?

I ask the minister whether he would look at this again. It has been a bugbear. Unfortunately these interpretations defeat the purpose of the budget to provide an incentive for cheaper building materials.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

Adjournment Debate

FISHERIES—PROPOSED PLAN FOR COMPENSATION FOR FISHERMEN ENGAGED IN REDFISH FISHERY—REQUEST FOR REPORT

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise to protest a cruel and inhumane lack of action by the government in a matter that seriously affects the province of Newfoundland. On December 10, 48 days ago, I asked a question about the fish docks available for fishing operations on the south coast of Newfoundland in the district of Burin-Burgeo for the owners of those plants who were having great difficulties because of their inability to catch fish under last year's quota system with their side trawlers.

I asked the Minister of Fisheries (Mr. LeBlanc) a question on that and whether he was going to develop a plan to compensate them for their loss, because the lack of fish is not their fault but the fault of the government of Canada which, for years, was negligent in protecting that resource. He gave an unsatisfactory answer. He said he had no special assistance program. It appears he is going to do nothing. But 48 days later, on Monday, January 31, the fish plant at Gaultois in Burin-Burgeo, the district of the Secretary of State for External Affairs (Mr. Jamieson), will close with a loss of jobs for 220 men because the government has failed to take any action in the last 48 days to amend the new fishery management plan of the Minister of Fisheries, announced in December, so that they can catch fish with their side trawlers and keep the plant in operation, or give it special financial assistance for the same purpose.

• (2200)

The plant at Gaultois lost over $400,000 in the last quarter of 1976. The Minister of Fisheries was informed that that plant would not be able to operate at the end of the month if no special assistance program was brought about. He was informed of that in a wire on January 13, and in a wire dated December 24 the owner of the fish plant at Ramea, Mrs. Margaret Penney, wired the Minister of Fisheries about the conditions in the plant at Ramea and about its losses in the fall of 1976 because of the lack of quotas and the difficulty with side trawlers. She advised that it was likely she would have to close and that another 375 jobs would be gone in Ramea if no steps were taken by the Government of Canada. At the plant in Gaultois only 55,000 pounds of fillets were processed in December, and in the other two months, October and November, only 150,000 pounds were processed, when the normal production is 400,000. They are losing a fortune because they cannot catch fish. They cannot absorb these losses, yet in the fishery management plan the minister announced in December no specific provisions were made for side trawlers or for these plants on the south coast.

What is the Secretary of State for External Affairs, the member of parliament for that area, doing about that? He was in Newfoundland over the Christmas period for two weeks, yet no special federal help has come. These plants are all in his constituency. He did not even have a meeting on the subject. We know that he has been gone for the last two weeks on official business in South America, and he got back only

yesterday, but what has the Minister of Fisheries been doing in his absence? Is the fishing industry on the south coast of Newfoundland going to be allowed to collapse because the Minister of Fisheries is, for some reason, unable to amend his fishery management plan or to provide some additional assistance for side trawlers in Newfoundland?

There is a fish plant at Ramea with side trawlers, a plant at Gaultois with side trawlers, at Harbour Breton with side trawlers, and at Fortune half the trawlers are side trawlers. All of them are having these difficulties, and in Nova Scotia these conditions prevail in Louisbourg and Petit de Grat. What is going to happen?

There are four days to go before the plant at Gaultois closes, which the minister was informed on January 13 would happen. When is he going to come up with the program he promised last year for special assistance, or when is the fishery management plan going to be changed? What is the good of the 200 mile zone if it is administered so timidly, if we are going to tiptoe through the tulips and not see that our own fish plants are protected or that our own trawlers and fishermen can catch fish? What is the good of this so-called 200 mile zone? Enough of this timidity.

There are hundreds of fishermen and fish plant workers in Newfoundland in danger of being added to the already gigantic unemployment rolls in Newfoundland if the Minister of Fisheries does not act before Monday, and if the Secretary of State for External Affairs does not give him a nudge to get him acting.

Two of the Lake side trawlers went up to Labrador with assistance from the federal government last fall to try to fish on the strange grounds off Labrador. They had a disastrous trip. In ten days they caught 20,000 pounds of fish. They lost nearly all their gear fishing in those unfamiliar grounds and sustained a heavy financial loss. The wages of the crew members had to be guaranteed. Although they got a $48,000 grant from the federal government, they still lost heavily. They cannot fish in those strange grounds. They have to be permitted to fish off the south coast, off the coast of Nova Scotia and in the Gulf if those plants are going to operate this summer. What is the Minister of Fisheries doing? What is the Secretary of State for External Affairs doing? He should be worrying about the people in his own constituency just as much as he is worrying about the people of South America.

I hope the minister, who is not here tonight, will respond. I hope his parliamentary secretary will give us some indication that the fish plants on the south coast of Newfoundland will receive some special assistance to keep their side trawlers operating and their plants operating. There are at least 1,000 or 1,500 jobs involved in that area, and we cannot afford to have that unemployment added to an already fantastic unemployment rate.

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, a number of contingency plans were devised in 1976 to assist fishermen and plant operators in the event that quota restrictions or other factors necessitated assistance over and above that available from the Temporary Assistance Program which, effective April 1, 1976, provided two cents a pound deficiency payments to trawlers and grants of six cents a pound on fillets to processors.

Data on landings, production, costs and earnings supplies by fishing enterprises and the processing industry in connection with the assistance program have been under continuous review during the year. At the time the need for special assistance to side trawlers operating out of Newfoundland south coast plants was being evaluated the data showed that production at the Newfoundland south coast plants handling catches from side trawlers was 9 per cent higher in 1976 than in the same January to October period in 1975. When the April level of temporary assistance was established, the average landing per trip for Newfoundland side trawlers was 126,000 pounds. This catch rate was taken as an index against which succeeding months were compared, and was used to determine the need for any change in the level of assistance. The average landings varied from a high of 180,000 pounds per trip in August to 72,000 pounds per trip in October and November, with an over-all average of 125,000 pounds per trip.

Based on data compiled between April 1 and the end of October, it was concluded that total assistance provided under the Temporary Assistance program would be sufficient to offset any cash shortfalls incurred during the last three months of 1976, when the volume of landings is normally low. On the basis of evaluation of available information on landings and production for plants and side trawlers, it was concluded that additional special assistance was not justified.

We now know that during the latter part of 1976 plants remained open and fishermen continued to fish. While both production and landings were down during this period, over-all cost and earnings data for Newfoundland south coast side trawler plants show that during the period April to November inclusive, the temporary assistance program met the cash shortfalls in the industry. I might also add that there was a special financial incentive plan for vessels forced to fish outside their normal areas due to quota restrictions, and several of the Newfoundland side trawlers participated in this program.

I should like to inform you that the level of payments under the temporary assistance program, which were in effect in late 1976, are to be maintained during the first months of 1977. There is also a financial incentives plan to encourage fishing in northern non-traditional areas where Canada has substantial quotas. Conditions in the industry as a whole are being kept under continuous review, and appropriate action will be taken in response to changing circumstances in the fishing and processing sectors of the industry.

CANADIAN BROADCASTING CORPORATION—OBJECTION TO DOCUMENTARY ON FRENCH CULTURE IN VILLAGE OF PAIN COURT

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, on November 4 last I raised an extremely important matter in the

House with the Secretary of State (Mr. Roberts). The issue was related to a documentary which appeared on CBET channel 9 on Monday, October 25, 1976, between the hours of 7 and 7.30 p.m. The documentary purported to show the French culture of the village of Pain Court. As I indicated at the time, a significant portion of the documentary dealt with an hotel, showing a stripper in the nude. When I asked the minister to investigate the matter and make an apology to the residents of the village and the township, to my astonishment the minister responded with a pompous and cavalier attitude.

The issue is not one of freedom of the press or a suggestion of editorial interference. However, when a documentary is a complete misrepresentation of the facts and reflects in a derogatory manner on the residents of a village and a township, I would have anticipated that the minister would have been more sensitive to the issue and responded in a more responsible manner.

The history of the village is contained in its name, and if the minister had reflected for a moment on that one fact the traditions and culture of the area would have unfolded before his eyes.

Pain Court is the abbreviation of the saying "Le pain est court", or "bread is scarce", which became in a sense the watchword of the early settlement which originated in about 1815. Through the years the picturesque name "Pain Court", symbolic of the early hardships of the settlement, has been resolutely retained by the people.

Their industriousness has overcome the hardships of an earlier era, resulting in a community recognized for its positive and unique contribution to the county of Kent; the area has prided itself on the strength of the family unit,the importance of high moral and ethical standards, and its people of deep religious convictions. They are recognized as having one of the finest agricultural communities in Canada and their emphasis on the importance of education has produced many prominent men and women in business, professional life and municipal affairs. I recall reviewing the cadet corps, composed of both boys and girls at the Pain Court secondary school. It is recognized as one of the finest corps in Canada; this, again, is a reflection on only one aspect of the culture of that particular community.

Sir, time does not permit me the opportunity of describing the many attributes that truly reflect the culture of Pain Court and the surrounding area. Surely it is obvious to the minister and members of the House that the documentary was an insult to the people and did not reflect the culture and traditions of the community.

● (2210)

As the minister also knows, I tabled in the House of Commons on November 17 last a petition containing over 400 names, which I personally signed without hesitation. Again, I have had no response to that particular petition.

Perhaps the attitude of the residents can best be described by the first of many letters I received from that area. Let me quote a portion of that letter dated October 27, 1976:

Could you please make a thorough investigation into a program which was seen on CBET, Windsor, Channel 9 on Monday October 25, at 7 p.m. or thereabouts?

The station called it a "documentary" on Pain Court. All it was actually was free publicity for a strip joint called the Dover Hotel, which unfortunately is situated at the north end of our beautiful little village. There are so many beautiful scenes and beautiful people in the village to interview, why concentrate the major part of the program on the owner of a third class establishment and show the stripper nude . . .

When word spread that there would be a documentary on the French culture in Pain Court, people flocked to the TV and had their children watch the program as well, because at 7 p.m. this is called prime time isn't it? There could not be anything objectionable on Pain Court. It is such a beautiful, peaceful sleepy little village. The people expected what was announced—French culture in the village of Pain Court. Little did they dream that they and their children would be subjected to seeing a stripper in action. Publicity of that sort only attracts undesirable riff-raff from the surrounding area. These undesirables spoil the atmosphere of Pain Court.

I recognize that this is the first time the minister has been appointed to the cabinet. I am generous enough to believe that his very flippant response to my question in the House of Commons was perhaps a reflection of his inexperience. I am also certain that, in reflecting on his initial response, the minister will not only be prepared to apologize to the residents of Pain Court in the township of Dover but will be in a position to report on my initial request for an investigation and a request for a public apology to the residents of that particular village.

Mr. Jacques Guilbault (Parliamentary Secretary to Secretary of State): Mr. Speaker, in view of the hon. member's interest in the subject, we have secured a reply from the CBC.

I wish to first say a few words about some of the hon. member's last remarks. I do not think it is fair to question the capability of the Secretary of State (Mr. Roberts) about an item produced by the CBC. We all know the distance between the CBC and the Department of the Secretary of State. The CBC is at arm's length from the government because of the Broadcasting Act. Anyone who knows the broadcasting system in Canada knows that the minister did not have anything to do with this production.

For the benefit of the hon. member and the House, I will give the following answer that I have received from the CBC.

The item in question, a seven-minute insert in the local television news and current affairs program on station CBET in Windsor, was one of a series of short essays produced by that station on rural communities in southwestern Ontario.

The object of these essays has been to reflect the particular characteristics of the community and to note the issues of interest to the population. There is no intent to prepare a sociological study. The camera crew arrives in town, talks to the residents, shoots film showing what the community looks like, and tries to make the essay interesting and entertaining.

The item on Pain Court showed scenes of the lovely pastoral setting of the town, had interviews with the shop owner and the hotel owner, brief scenes of the stripper, commented on the comfortable bilingualism the townspeople had achieved, and mentioned the French language high school. It is noted the

attraction that the strip show at the hotel had become, drawing people from around the area to Pain Court.

To produce an item on Pain Court without mentioning the strip show and the interest it had engendered, would have been less than reflective of the community.

For the benefit of the House and the hon. member I should like to quote something else which appeared in an editorial in the Windsor *Star* on November 9, 1976, just to show that various people hold various opinions. The article reads as follows:

Conservative M.P. Dr. J. R. Holmes of Lambton-Kent is off base in his demand for a public apology over a recent CBC television documentary which showed a stripper at a Pain Court hotel.

Dr. Holmes branded the show an insult to all residents of the southern Ontario region, and asked Secretary of State John Roberts to investigate. The program, he said, was "obviously unbalanced" because much of it centred on "a hotel and a nude stripper."

Not so, Dr. Holmes.

There is a hotel in Pain Court. It does feature strippers. It is a popular show, and many people know about Pain Court because of it. There are other attractions at Pain Court—

The Acting Speaker (Mr. Ethier): Order. I regret to interrupt the hon. parliamentary secretary but his time has expired.

EXTERNAL AFFAIRS—REASON FOR ALLEGED SECRET EXPULSION FROM CANADA OF MR. PERDOMO, REPRESENTATIVE OF CUBA

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I shall be very brief in that the information that I am seeking is very simple and to the point. It relates to my questions of this Tuesday dealing with information I have been able to obtain regarding the expulsion from Canada of certain Cuban diplomats. In order not to confuse the issue, let me make it very clear that I am not referring to the recent expulsion of the five Cubans, including three diplomats, who operated a spy school in Montreal.

I am specifically referring to the expulsion of one Alfonso Herrera Perdomo, second in command of the Cuban Embassy in Ottawa, and Rafael Reyes, an administrator officer at the Cuban Consulate in Toronto, both of whom were expelled from Canada last June without the Department of External Affairs making these expulsions public. Mr. Speaker, one must assume that either the government was trying to hide or cover up this expulsion, or that it has become the policy of the Trudeau administration not to announce the expulsion from Canada of foreign diplomats. The latter would be more in line, I suppose, since it seems to me that between the Soviets and the Cubans, expulsion of diplomats is becoming a regular habit.

It is difficult to comprehend why the government continues to tolerate and deal in good faith, as it does, with a nation that continues to show disrespect towards Canada and Canadian relations. Not only have we allowed the Cubans to operate a training camp for intelligence operations on Canadian soil, most probably under the supervision of the Soviet KGB; not only did the government close its eyes when Rafael Reyes was organizing and supporting revolutionary left-wing Chilean refugee movements here in Canada with the hope of overthrowing the ruling Chilean government; not only does the government tolerate communist spy activities, be they Soviet or Cuban, right under its nose; not only did the Department of External Affairs allow Mr. Perdomo to negotiate with CIDA officials and employees with the hope of recruiting them as agents for the Cubans while at the same time attempting to disguise what could have been $23 million in grants and loans to that country in such a way as to make it look as though the loan was $10 million—and this, of course, is backed by the memorandum from the agency itself—but the government continues to deal with Cuba as if nothing has happened.

The aid program already consists of a $10 million loan at a nominal 3 per cent interest for a 30 year term with repayments not to begin until 1982, as well as an outright grant of $3.9 million. And this while small and medium sized businesses in Canada, operated and owned by Canadians, are virtually ignored and allowed to go bankrupt as witnessed by the highest bankruptcy rate this country has ever seen.

What I am asking the External Affairs Department to consider is the following. First, confirm the obvious, which is that Mr. Perdomo as well as Mr. Reyes were expelled from Canada while in Canada last summer. Second, inform the Canadian public whether or not the policy of the government is indeed not to make expulsions of foreign diplomats public knowledge. Third, because of the continuing disrespect shown by the Cubans toward Canadian relations, I ask that the whole matter of the Cuban aid program be brought before the sub-committee of the external affairs committee dealing with CIDA, and that all current aid programs and negotiations with that country cease until the committee has had a chance to resolve these problems.

● (2220)

I realize, Mr. Speaker, that the parliamentary secretary does not have the authority to answer positively my reasonable requests, but perhaps he can pass them on to his minister for consideration. While I am asking him to pass things on, perhaps he could advise the Prime Minister (Mr. Trudeau) that the time has certainly come for the Prime Minister to stop shouting at the top of his lungs "Viva Cuba" and "Viva Castro" and do something positive so that we can all continue to shout "Viva Canada".

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, I will leave editorial comment aside for the moment and simply give the response. As the Acting Secretary of State for External Affairs said in replying to the questions raised by the hon. member on January 25, the recent action the government has taken regarding Cuban officials is an indication of the seriousness with which it looks at activities undertaken by representatives of any foreign government in contravention of their status in Canada. The government has applied the same principles over the years.

Last June the Canadian government requested the Cuban government to withdraw Alfonso Herrera Perdomo for activities incompatible with his diplomatic status in Canada. No other Cuban officials were involved in that case. The name of Rafael Reyes has also been mentioned in the press. In fact Reyes left Canada early in 1976 at the end of his tour of duty here.

I can assure the House that the decision to extend aid to Cuba was based solely on the usual criteria and was not in any way influenced by what has been described by the hon. member as "deceitful practices" of any representative of any foreign government.

More generally, hon. members on both sides of the House know very well that relations between countries may involve both good elements and, on occasion, ones that are unsatisfactory. When incidents such as this occur, it is not always advisable or in the best interests of maintaining the over-all relationship to discuss publicly and in detail the unsatisfactory problems, but rather to dispose of them quickly. The important thing is that appropriate action on any problems be taken immediately by the government, and this has been done in all such cases. These situations naturally make it more difficult to move our relations with Cuba forward as we would wish. Nevertheless, it is our intention that our over-all relations not be affected.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Friday, January 28, 1977

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC SERVICE

PROPOSED INVESTIGATION OF EFFECT OF BLACKLISTING ON CAREERS OF CERTAIN EMPLOYEES—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. Since it is now clearly established that the precautions taken in the Prime Minister's Office and Solicitor General's Office respecting the security of sensitive material and the inviolability of the EPO list may have been less than adequate, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That the Minister of Justice undertake a thorough investigation to determine the actual effect on the lives and careers of persons on any lists of this type in terms of firings, red circling, denials of promotion or any other impediments which in retrospect have been attributable to the course of action taken by the then solicitor general.

Mr. Speaker: Such a motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: No!

SUGGESTION EMPLOYEES ON BLACKLIST BE DEALT WITH ACCORDING TO 1963 GUIDELINES—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in view of the continuing importance of the subject to which reference has just been made, I, too, wish to move a motion under Standing Order 43. It is seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), and reads as follows:

That with respect to those public servants mentioned in the solicitor general's letter of June 15, 1971, the government follow the mandatory policy guidelines originally established by the former prime minister, the Right Hon. Lester B. Pearson, in 1963, viz: (a) those persons be informed by the employing department or agency "when their security or reliability is in doubt", and (b) before any dismissal of a public servant on security grounds, a separate review be undertaken by the government's advisory agency on security policy.

Mr. Speaker: Such a motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: No!

Mr. Baker (Grenville-Carleton): How long are you going to keep on saying no?

• (1110)

ENERGY

REQUEST FOR GOVERNMENT ACTION TO REDUCE PROPOSED INCREASE IN GASOLINE PRICES—MOTION UNDER S.O. 43

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, under the provisions of Standing Order 43 I rise on a matter of urgent and pressing necessity arising out of recent press reports that the major oil companies have notified the Anti-Inflation Board of their intention to raise retail gasoline prices as of March 1 by about 3.5 cents per gallon, even though increased wellhead prices for crude oil would only justify about 2.3 cents. In light of the fact that this extra increase in price would net the oil companies an extra $78 million in revenues, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the government take the necessary steps to forbid the rise in retail gasoline prices by any more than is justified by the recent increase in wellhead prices for crude oil.

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

Some hon. Members: Agreed.

Some hon. Members: No.

PUBLIC SERVICE

REQUEST FOR STATEMENT AS TO PARTY TO WHOM PERSONS ON BLACKLIST OBJECTIONABLE—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43 with regard to the extra-parliamentary opposition list raised in the House of Commons on January 24. In the absence of any assurance from the Solicitor General, firm or otherwise, that the persons on the list will be notified and given an opportunity to vindicate themselves in accordance with elementary principles of natural justice which dictates such a course of action, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the minister at least make a declaration in the House as to whether or not these persons are objectionable to the state or merely to the Liberal party, and whether, in his opinion, there is any significant difference.

Mr. Speaker: Standing Order 43 requires unanimous consent. Is there unanimous consent?

Some hon. Members: No!

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

POSSIBILITY OF COMMENCING TRIPARTITE DISCUSSIONS OF ECONOMIC POLICY—GOVERNMENT PROPOSALS

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, in the absence of most of the government—

Some hon. Members: Oh, oh!

Mr. Goodale: Look behind you, Joe.

Mr. Clark: In my party, Mr. Speaker, unlike the Liberal party, there is no need for the leader to always look behind him. My question is for the Minister of Finance and it relates to reports that the Prime Minister will respond on Monday to a request by the President of the Canadian Labour Congress that subsequent discussions between labour and government—that is, discussions subsequent to the meeting on Monday—also include representatives of industry. I wonder whether the minister would advise the House if it is now the policy of the government to accept this proposal, which amounts to a tripartite model for discussion of national economic and social policy?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the question has been discussed by the government, both with the labour side and with the corporate sector. I think it would clearly be desirable to return to a situation where the organized labour movement takes an active and responsible participation in the canvassing of broader public issues in Canada. For my part, if arrangements can be established to have such consultations on a multipartite basis, I think it would be very desirable. Obviously, whether or not this will be done, either in the near future or with the labour movement, will depend very much on the outcome of discussions on Monday. I for one will certainly look forward in those discussions to canvassing further the views which I hope will be helpful in bringing labour back into public discussion.

Mr. Clark: Mr. Speaker, the Minister of Finance deliberately used the word "multipartite". I wonder whether he would tell the House if the government of Canada will be making some kind of concrete proposals to the Canadian Labour Congress relating to multipartitism or tripartitism or something of this sort. Secondly, if a proposal of this kind is going to be made, what other parties does the government propose to include? Finally, can the minister give the House some indication of the nature of this, in effect, new institution which the Minister of Finance and his colleagues will be discussing with members of the CLC on Monday?

Mr. Macdonald (Rosedale): Mr. Speaker, no new institution is involved in this respect, unless one regards a meeting between two or more parties as being of an institutional character. There is no definitive proposal in this regard. What we would propose would be to discuss the circumstances under which organized labour would really be prepared to come back into discussions with the other major decision makers in the economy. For this purpose "multipartite" would include not only organized labour and the management side, but also, because of the nature of our federalism, should include the provincial governments as well. Concepts very much along that same line will, of course, take place with the provinces in the following days at the meeting of the finance ministers.

Mr. Clark: Mr. Speaker, in effect the Minister of Finance is admitting the failure of the process of separate consultations with separate groups, which was the process undertaken by his predecessor as Minister of Finance. He indicates he will be holding discussions regarding new methods or models with the CLC, the Canadian Manufacturer's Association and with the provinces. I wonder if the minister plans to come before the House of Commons with an indication of the models the government has in mind for subsequent discussion of national social and economic goals on which final decisions have to be taken by this body?

Mr. Macdonald (Rosedale): Mr. Speaker, indeed I think it would be most appropriate to have effective House discussion on this question. It seems to me at this stage of exploration, however, that it is appropriate to ascertain the mood of the various participants and what concepts they have concerning consultation, and that is in discussion and consultation, instead of what the Leader of the Opposition appears to be suggesting, going with a definitive proposal and saying: That is it, that is what we are going to do. We are approaching it in the mood of saying we think it is desirable that there be this continuing communication among the major decision makers in our economy, and we would like to know under those circumstances how they envisage future participation of the private sector, whether labour or management, in the kind of decisions that governments, and I use that word in the plural, have to make about the Canadian economy.

Mr. Clark: Mr. Speaker, is the Minister of Finance telling us that the government of Canada is going into these discussions with the other partners in the Canadian economy with nothing on its own mind and no model of its own to propose, and that it is simply going to rely upon the other partners to propose what they think is desirable, as it has been relying upon the provinces of Ontario and Quebec, for example, to initiate discussions on post-controls policy, and as it is relying upon the CMA and the CLC to propose some form that will work better than the process that has been followed to this point of separate consultation? What does the government have on its mind? What is it proposing to the CLC and other bodies that it will not tell the House of Commons?

Mr. Macdonald (Rosedale): Mr. Speaker, we have discussed very extensively with the public what kind of proposal we think can be effective. For example, the hon. member and I yesterday exchanged some viewpoints on the possibility of a monitoring institution in the post-controls period. It would be a faulty conclusion for the Leader of the Opposition to say that we are going in without some proposals in our own mind which, in due

course, after sounding out the various parties, will certainly be solidified. The intelligent way—surely, in this regard, instead of the way the Leader of the Opposition would follow, saying this is it; that is all—is to talk about the problem, talk about some alternative approaches that can be taken and, indeed, to have a genuine dialogue with those who are involved.

ATTITUDE OF LABOUR TOWARD WORK COUNCILS AS MEANS OF ACHIEVING INDUSTRIAL PEACE

Mr. Jim Balfour (Regina East): Mr. Speaker, I have a supplementary question for the Minister of Finance. Is the minister now willing to concede that neither the concept of work councils nor of work-sharing, referred to in the letter, has the support of either labour or management, and subsequently that statements made by the Minister of Labour and his officials to the effect that progress has been made in these areas are simply incorrect?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I do not think I would make that comment, and I certainly would not make that concession. It seems to me it is important to have constructive discussion on all kinds of ways of improving the collective bargaining system in Canada. The Minister of Labour has been active in trying to determine ways in which the unhappy record of Canada in industrial relations in the last several years can be improved, if possible, by institutional change.

* * *

● (1120)

INCOME TAX

SUGGESTION COST OF CONVERSION OF TOOLS TO METRIC SYSTEM BE DEDUCTIBLE ITEM

Mr. Jim Balfour (Regina East): Mr. Speaker, will the minister give an unequivocal commitment to the effect that he will give favourable consideration to the proposal contained in the letter, namely, that the cost to workers of metric tool conversion will qualify either as a deduction from income or a deduction from tax?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, of course, consideration will be given to all sound proposals in preparing the budget.

* * *

PUBLIC SERVICE

POLICY IN RESPECT OF INFORMING PEOPLE ON BLACKLIST OF THEIR RIGHTS—APPLICATION OF POLICY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for either the Acting Prime Minister, or the Solicitor General.

Mr. Clark: Or whoever.

Mr. Broadbent: Can the minister indicate whether the government's policy is still that set out initially by former prime minister Lester B. Pearson in 1963, when he said on October 25 of that year, as reported on page 4044 of *Hansard,* that it would be the policy:

> . . . to inform the person involved when his security or reliability is in doubt . . . Employing departments and agencies will in future be required to tell an employee everything that is possible of the reasons for the doubt, if there is a doubt, and to give him an opportunity to resolve that doubt.

I ask the Acting Prime Minister or the Solicitor General this question, in the context of its still being policy, was it applied in the case of those people who were listed on the former Solicitor General's letter dated June 15, 1971?

Hon. Jean Chrétien (Acting Prime Minister): Mr. Speaker, I do not know if this policy was applied. I will be looking into that and if there is anything to report, the Prime Minister or the Solicitor General will be able to give an answer on Monday.

Mr. Broadbent: Mr. Speaker, may I direct my supplementary question to the Solicitor General and ask him, if, in checking the record and the original letter to which I referred, he discovered if this policy was applied at the time; if it was not, has he taken steps since then to ensure that it is applied?

Hon. Francis Fox (Solicitor General): Mr. Speaker, the application of the policy, such as the one to which the hon. member referred in his question, would be the responsibility of the individual department to which a recommendation such as the one made in the case referred to was made.

Mr. Broadbent: Mr. Speaker, may I direct a final supplementary question to the Acting Prime Minister. Will the Acting Prime Minister assure the House that the policy first laid down by Mr. Pearson remains in effect; I suspect that it ought to so remain in effect, because it is embodied in the human rights bill which has received first reading in the House, although it has not yet been passed. If the government still intends to implement this policy, will it make sure that it is followed to the letter in the case of those people listed in the former solicitor general's letter. Second, with regard to that point, would he undertake to find out why this policy was not applied in the case of Mr. Rudnicki, who was dismissed?

Mr. Chrétien: Mr. Speaker, I do not think I have anything to add to what the Solicitor General just told the House. In any event I will be looking into the matter and if something has to be added, it will be done on Monday.

Mr. Baker (Grenville-Carleton): You are stonewalling.

Mr. Paproski: Clearly, we are not getting any answers today.

[*Translation*]

TRANSPORT

ST. LAWRENCE SEAWAY—RECOMMENDATIONS TO SLOW DOWN ESCALATION OF DEBT

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is directed to the Minister of Transport. I would like to ask him whether the St. Lawrence Seaway Authority has made him some recommendations to put an end to the rising debt of that corporation. Will the minister soon tell the House whether he has some plans to that effect?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the matter has been under consideration and we have reached conclusions on how we ought to treat the total financing and revenues of the seaway. Further discussions are going on and before much longer I will have an announcement to make.

[*Translation*]

Mr. Laprise: Mr. Speaker, the minister has just stated that negotiations are under way. Can he tell us whether those negotiations are carried on with the American government or only on the Canadian side?

[*English*]

Mr. Lang: Yes, Mr. Speaker, they are taking place with the United States.

* * *

PUBLIC SERVICE

POSSIBLE EXISTENCE OF MORE THAN ONE BLACKLIST OF EMPLOYEES—DATE OF MOST RECENT LIST

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Solicitor General. Now that the minister has had the opportunity to become better acquainted with the files in his office and now that he has, upon reflection, confirmed the existence of an extra-parliamentary opposition list, could he tell the House today what other lists are in his files and were uncovered, and since he said that during his tenure of office no such lists were compiled, could he tell the House today what the last date of the most recent list would be?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I have no knowledge of any list before or after the one to which the hon. member has referred.

ORIGIN OF INFORMATION ON WHICH BLACKLIST BASED

Mr. F. Oberle (Prince George-Peace River): I did not ask whether there were any lists prior to the one I introduced in the House. I should like to ask the minister whether there were any lists after the date of June 15, 1971. Furthermore, I should like to ask him whether he could today, since this question is somewhat obscure, provide the House with certain information as to the origin of the information that was contained in the list. Did the security service of the RCMP supply the information, or was it compiled by the security service operating under the minister's own department?

Hon. Francis Fox (Solicitor General): Mr. Speaker, there is no security service in existence in this country other than that which is part and parcel of the RCMP.

An hon. Member: That is not what Drury told us.

An hon. Member: What about gumshoes Goyer?

Some hon. Members: Oh, oh!

Mr. Fox: As was indicated previously, in answer to the second part of this question, the information that was sent by the then Solicitor General to some of his colleagues has been provided on the basis of a report from the RCMP.

Mr. Oberle: Mr. Speaker, the Solicitor General has not answered the question as to whether there were any lists after the date of June 15, 1971. Since he does not recall the most recent date—

Mr. Speaker: Order, please. With due respect, the minister did answer that question.

REASON FOR DENIAL OF EXISTENCE OF BLACKLIST OF EMPLOYEES

Mr. Elmer M. MacKay (Central Nova): I have a supplementary question for the Solicitor General. Since it appears that top civil servants denied in writing the very existence of the now admitted EPO list, can the Solicitor General inform us whether they did so on instructions from cabinet, or did these people know the truth themselves?

Hon. Francis Fox (Solicitor General): I really do not understand the intent or the meaning of the question asked by the hon. member. If I knew exactly what he is trying to get across, perhaps I could give him some type of answer.

Mr. MacKay: Mr. Speaker, I will give the minister a chance to read it in *Hansard* and ponder over it, then tomorrow perhaps he will answer it.

EFFECT ON CAREERS OF THOSE INCLUDED IN BLACKLIST—POSSIBILITY OF COMPENSATION FOR WALTER RUDNICKI

Mr. Elmer M. MacKay (Central Nova): I have a supplementary question for the Minister of Justice. Would he consider instituting over the weekend an investigation into the extent to which those persons included on the EPO list have been affected by their inclusion in it, and can he or the Acting Prime Minister advise us whether any compensation or reparations have been contemplated to date to compensate Walter Rudnicki?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, my answer to the first part of the question would be no, that would

be the responsibility of the Solicitor General, and the answer to the second part is that his dismissal is unconnected with the matters that have been raised in the House in the last few days. However, by order of a court of Ontario he was compensated.

* * *

ATOMIC ENERGY OF CANADA LIMITED

ACTION TO OBTAIN NAME OF AGENT OF ITALIMPIANTI

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and it arises out of the continual refusal of Lucien Secouri, president of Italimpianti, to provide to the Atomic Energy Commission officials information about the agent who handled the sale of the reactor in Argentina, if indeed there was an agent at all. The question is whether the minister, through the government of Canada, will bring pressure on Italimpianti—to provide information so that the people of Canada can find out whether any agent operated in the matter?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): The hon. member already knows that a specific request has been addressed to Mr. Secouri on my instructions.

Mr. Gillies: I am sure the minister knows that Mr. Secouri has refused or denied that request. My question was whether or not anything else was going to be done on the part of the government, such as looking at licences and so on.

* * *

● (1130)

EXTERNAL AFFAIRS

POSSIBILITY OF EFFORTS THROUGH ITALIAN GOVERNMENT TO SECURE NAME OF AGENT OF ITALIMPIANTI

Mr. James Gillies (Don Valley): Mr. Speaker, my supplementary question is to the Secretary of State for External Affairs. Given the fact that the jurisdiction of the RCMP is within Canada, is the minister, through the Department of External Affairs, requesting the government of Italy to go to Italimpianti, which is partially owned by the government of Italy, and tell it to provide to the government of Canada through AECL the name of the agent, if indeed there was an agent, involved in this obviously difficult transaction in Argentina?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, clearly we would not on our own, that is, within the Department of External Affairs, initiate that kind of action while the committee is sitting. If the committee, in its conclusions or in its deliberations, concluded that it was desirable for the department to undertake some such inquiries, then certainly I would be glad to consider it in a very forthcoming fashion. However, it seems to me that I would not be acting properly to anticipate, in a sense, the actions of the committee or to do something parallel with the committee. If the Standing Committee on Public Accounts sees some merit in having inquiries made by officials or people within the Department of External Affairs, then I can certainly assure the hon. member and the House that I would be glad to consider it.

* * *

ATOMIC ENERGY OF CANADA LIMITED

ALLEGED FAILURE TO PROPERLY RECORD PROCEEDINGS OF BOARD OF DIRECTORS—GOVERNMENT ACTION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, since my supplementary touches on several departments, for example, the Department of Consumer and Corporate Affairs and the Department of Justice, I would like to direct it to the Acting Prime Minister. Since the whole matter of AECL arises out of the lack of proper records in the minutes of that corporation, I would like to ask the Acting Prime Minister if the government is considering laying charges against any of the executives of that corporation under the Corporations Act of Canada, which requires that all proceedings of the board of directors of a corporation in Canada be duly recorded in the minutes.

[*Translation*]

Hon. Jean Chrétien (Acting Prime Minister): Mr. Speaker, this does not come under my jurisdiction. I do not know whether the Minister of Justice can give some information about that, but we will inquire and advise the hon. member.

* * *

[*English*]

HIGHWAY SAFETY

INCLUSION OF AIR BAGS IN MANDATORY STANDARDS FOR CONSTRUCTION OF VEHICLES—GOVERNMENT POSITION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Transport. Since a recently retired chief executive of General Motors in the United States says that the inclusion of air bags as a mandatory standard for automobiles would reduce death on the highway by thousands annually, and since Allstate Insurance Company, which has done major research into automobile deaths and injuries, says that in both Canada and the United States death on the highway would be reduced by thousands if air bags were included as a mandatory standard in the construction of cars both built in Canada and imported into Canada, would the minister now reconsider his position and study the matter in the hope that these standards will be made mandatory?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there is no need to reconsider the position, since we are studying the matter, and we will be watching with great interest the actual statistics which will emerge from the addi-

tional provision of air bags in vehicles under current programs. This will certainly be a very direct and first-hand source of evidence on the question.

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ENERGY

GASOLINE—REQUEST FOR ACTION TO LIMIT PRICE INCREASE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources, and it arises from the application by the oil companies to the Anti-Inflation Board for an increase in the retail price of gasoline by 3.5 cents per gallon. In view of the fact that the 70 cents a barrel increase in the price of crude oil effective January 1 warrants an increase in the price of retail gasoline of only 2.3 cents per gallon, and if we allow 0.2 cents for the increased taxes arising from the increase in the price of crude oil, 2.5 cents is all that can be justified. An additional one cent per gallon may not seem important, but it constitutes an increase of $78 million in the revenue of the oil companies of this country. I want to ask the minister if he can assure the House and the motorists of this country that the government will take steps to ensure that the increase granted to the oil companies for gasoline sold at the pump will not be more than what is justified by the increase in the wellhead price of crude oil.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, there are two costs involved, as the hon. member made clear in his question. One is the wellhead price, and that will be automatic. As to the question of additional increases over and above that, that will be a matter upon which the AIB will have to be satisfied.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that the Minister of Energy, Mines and Resources is the minister who authorized the increase in the wellhead price for crude oil, does he not consider that he has a personal responsibility to place whatever data is necessary before the Anti-Inflation Board so that the oil companies do not rip off the consumers of this country to the tune of $78 million, particularly in view of the fact that Imperial Oil, for example, increased its profits in the year 1976 to some $264 million?

Mr. Gillespie: The hon. member is talking about the non-crude costs which might be associated with a further price increase.

Mr. Rodriguez: This is a recording.

Mr. Gillespie: If the AIB would like to receive advice with respect to these non-crude cost increases, I would be very pleased to provide it, but I believe that it is fully competent to assess whether wage increases and other costs since the last time the oil companies were able to get an increase are justified or not.

[Mr. Lang.]

[*Translation*]

REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF HELPING SOUTH SHORE REGION OF ST. LAWRENCE—GOVERNMENT POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to address my question to the Minister of Regional Economic Expansion.

Last December, in this same chamber, I put a question on the projects which had been presented by the province of Quebec within the framework of joint agreements between Quebec and Ottawa. At the time, the minister replied that he was to have consultations with the new Quebec ministers in that regard. Has the minister had those consultations, and has the new Quebec government come forward with projects, or has it told the minister that it would present specific projects for the south shore area?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I must say to the hon. member that I somewhat regret, of course, the delays resulting from the change in government. Unfortunately, I have yet to meet my opposite numbers in Quebec for discussions at the departmental level; but I can advise the hon. member that recent—very recent, in fact—contacts indicate that meetings should be held within the next few days. I expect to meet my Quebec counterpart within the next ten days or so, at which time I can discuss with him some of the concerns expressed to me by the hon. member and other hon. members from the Quebec south shore area.

Mr. Lambert (Bellechasse): Mr. Speaker, in the light of the answer just given by the minister, is it proper for the federal Minister of Regional Economic Expansion to make suggestions to another minister of another government concerning some priorities of a program intended to reach that department's objective?

Mr. Lessard: Mr. Speaker, indeed it is and we do it quite regularly. However I hope to have once again the opportunity to take part in the choice of some priorities related to regional development that we discovered in the province of Quebec.

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AIRPORTS

POSSIBILITY OF IMPROVING FACILITIES IN ÎLES-DE-LA-MADELEINE

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I impatiently wish to put a question to the Minister of Transport.

Considering that airlines serving Îles-de-la-Madeleine are forced only too frequently to cancel flights to the islands at the least atmospheric disturbance because of a lack of facilities at that airport—as an example, there were 56 flights cancelled by Quebecair in 1976—could the minister inform the House whether one must wait for a mass uprising by the people

before getting adequate navigational aids and improved runways as requested repeatedly for ten years.

● (1140)

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I take very serious note of the hon. member's representations and thank him for bringing these facts to my attention. I want to assure him that I will give sympathetic consideration to the problem and see how quickly we can find money amongst the competing priorities for these funds.

* * *

PUBLIC SERVICE

APPLICATION OF GUIDELINES ON SECURITY RISKS TO RUDNICKI CASE AND OTHERS—REQUEST FOR REPORT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question for the President of the Treasury Board arises out of an earlier series of questions. It relates particularly to the case of the blacklist, which admittedly occurred before he was minister, and one public servant who but for a judicial finding of wrongful dismissal would still be a member of the public service. It affects as well the whole matter of the application of the guidelines to public servants who ought to be in the public service and those who are there now. In respect of this particular case, has the President of the Treasury Board investigated the circumstances of a letter dated June 15, 1971 that was referred to in this House the other day, to ascertain whether the guidelines were properly applied in the Rudnicki case? If so, what has the minister done about it? What recommendation has he made? Is he continuing the investigation to see if the kinds of things that happened to Mr. Rudnicki are not currently happening to other civil servants?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, as the Solicitor General has indicated on many occasions, the actions taken as a result of any such letter were the responsibility of the department involved at the time. As I recall, Mr. Rudnicki's severance from the public service took place perhaps one or two years after the date of that letter. I cannot add to the comment made by my colleague the Minister of Justice in that connection. With regard to continuing investigation, I do not see any necessity for that at this time.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I tried to make it clear to the minister that what we are talking about here is a public servant who was wrongfully dismissed. If he had not been dismissed he would likely have been under the jurisdiction of the President of the Treasury Board and this gives him a particular responsibility, which he generally carries. I would ask the minister if he is consulting with the Minister of Justice to see whether the guidelines referred to in this House this morning were breached in the case of Mr. Rudnicki and are being breached generally. If not, would he do so and report to the House because this is important to the morale of the public service. This case goes far beyond the case of Mr. Walter Rudnicki.

Mr. Andras: Mr. Speaker, I will note and examine carefully the representations made by the hon. member. I assume he is referring to the Pearson guidelines which I shall review.

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ADMINISTRATION OF JUSTICE

REQUEST FOR PUBLICATION OF LETTER CONCERNING SEARCHES UNDER COMBINES INVESTIGATION ACT

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question is for the Minister of Justice. Would the minister care to share with us the letter he says he wrote to the Law Reform Commission about the efficacy of searches made under the Combines Investigations Act and in particular about the extraordinary or at the very least unusual searches made of offices of the Vancouver *Sun* and the CBC?

Hon. Ron Basford (Minister of Justice): Yes, Mr. Speaker. I do not have that letter with me now, but I will deal with the matter on Monday.

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GRAIN

SUGGESTED DELAY OF PLEBISCITE ON FEED GRAIN MARKETING SYSTEM—GOVERNMENT POSITION

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to put a question to the minister responsible for the Canadian Wheat Board. In view of the uncertainty and the divisions that a feed grain plebiscite would create in the agricultural community and since the Canadian Federation of Agriculture has dealt with the problem at some length but has not arrived at the type of question to be posed to farmers, would the minister consider postponing the vote indefinitely until there is a more general idea of what farmers want as far as feed grain marketing is concerned?

Hon. Otto. E. Lang (Minister of Transport): Mr. Speaker, I am not sure that I actually received a formal reply from the Canadian Federation of Agriculture, although I know that certain units within the federation have indicated their views along the lines the hon. member mentioned. I had thought it imperative to have the assistance and advice of the federation on the question of timing as well as the content of the plebiscite. I would certainly take into very serious consideration a recommendation from the federation if they felt a delay was required.

Oral Questions

TRANSPORT

FERRY OPERATIONS IN BRITISH COLUMBIA—GOVERNMENT POSITION ON COST-SHARING

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, may I put a question to the Minister of Transport? On December 21, 1976 the Prime Minister received a telegram from the premier of British Columbia outlining the disparity that exists between the federal subsidy program for west coast shipping compared with east coast shipping. Two weeks ago the minister's officials met with officials in British Columbia to discuss that disparity. Has an answer been sent to that telegram by the Prime Minister and is the Minister of Transport now willing to share 50-50 the cost of the British Columbia ferry operation?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, any discussion of disparities which ignores the special position of the constitutional requirement for ferry services under the terms of union with Newfoundland, I think fails to calculate adequately. We are, however, having discussions and will have further discussions with British Columbia concerning many questions in relation to transportation, and ferries in particular. Those discussions are not complete at this point.

FERRY OPERATIONS IN BRITISH COLUMBIA—REQUEST FOR REPORT ON IMPROVED SERVICE FOR COASTAL COMMUNITIES

Mr. Benno Friesen (Surrey-White Rock): A supplementary question, Mr. Speaker. Now that the new improved coastal shipping service has been in place for some three months, I wonder if the minister could give us an updated version of what is happening so that the coastal communities do not have to depend on Rivtow tug service for their livelihood and products?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I think the report the hon. member wants would be longer than I would be permitted to give at this time, since it would involve a survey of the passenger and freight situation along the coast. If he has a more specific question, I would be glad to deal with it.

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MANPOWER

CANADA WORKS PROGRAM—REASON COST OF MATERIALS ALLOWANCE NOT EXTENDED TO BRITISH COLUMBIA

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Can the minister explain why the $30 per man-hour week cost of construction materials allowance in the Canada Works Program has not been extended to a single constituency in British Columbia? Has the formula which produced this astonishing result been applied any more accurately than the one that produced last year's original LIP allocations in British Columbia?

[Mr. Lang.]

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I think what the hon. member should be thankful for is that none of them needed this particular assistance under the criteria that are applied. In the province of Ontario only two constituencies qualified for this particular addition. The formula used was that the unemployment rate had to be in excess of 7 per cent for the first quarter of 1976. Second, and I wrote a letter to each member of parliament indicating this so the hon. member already has it, the constituency, according to Statistics Canada, should be in the lowest 20 per cent of all constituencies in terms of either average family income or the medium value of single detached owner-occupied non-farm dwellings. We endeavour to apply the criteria. If the hon. member examined the ridings involved, with one or two seeming anomalies, I think he would concur.

CANADA WORKS PROGRAM—REASON COST OF MATERIALS ALLOWANCE NOT EXTENDED TO OKANAGAN BOUNDARY

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is supplementary to that put to the Minister of Manpower and Immigration by the hon. member for Okanagan-Kootenay. In view of the minister's answer to that question, and in view of the fact that unemployment in my riding is at 13 per cent to 15 per cent and the income per capita is lower than the national average, why did the minister indicate that the riding would not qualify when the qualifying rate is 7 per cent unemployment?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I indicated there was a series of criteria that would apply. If the hon. member's figures are correct, I will look into it and see if we made a mistake in that riding.

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RESOURCES

POSSIBILITY OF DIVISION OF DEPARTMENT TO DEAL WITH RENEWABLE RESOURCES

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Has the minister made a final decision on whether he is going to add a division to his department to deal with renewable resources?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, I have made that decision and I hope to make an announcement with respect to it very shortly.

● (1150)

[*Translation*]

LABOUR RELATIONS

REQUEST THAT MONTREAL LONGSHOREMEN BE GIVEN JOB SECURITY

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I want to ask a question of the Minister of Labour, but in his absence I shall put it to the Acting Prime Minister.

Last December, I asked a question of the Minister of Labour concerning the problems of longshoremen, particularly in Montreal, and since the minister submitted the Tremblay report to me and to the longshoremen's association, nothing has been solved. Can the Acting Prime Minister tell the House whether the government intends to take any step to put an end to the shylocking and the employers' disregard for job security and the code of ethics taking place at the workers' expense?

Hon. Jean Chrétien (Acting Prime Minister): Mr. Speaker, I shall be happy to refer the hon. member's question to the Minister of Labour and I hope he will be in a position to give him an answer early next week.

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[*English*]

POST OFFICE

PERMISSION TO POSTMASTERS TO PROVIDE MORE BOXES AND SUBSTATIONS IN DEVELOPING AREAS—GOVERNMENT POSITION

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Postmaster General. Due to the mounting problems confronting the general public and business in particular as a result of the bureaucratic policies of the Post Office Department, could authority be granted to postmasters to better manage their offices and thus provide a saving which could be used to provide more boxes and substations in rapidly developing areas with no extra cost to the public purse, thereby staying within the government's restraint guidelines?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, as I indicated to the hon. member for Red Deer after he gave me notice of his question, I fully realize that there are some anomalies, especially in growing areas, relating to the service that is available. I am very much aware of the frustrations being encountered by people who have to wait at general delivery lines and post offices where parking facilities are not available. Having said that, I remind the hon. member that the government has indicated that there are restrictions being imposed on new hiring for the fiscal year. Unfortunately, the Post Office is caught by the same guidelines.

Mr. Towers: If mail has to go through large postal centres, it sometimes takes eight days to go 200 miles. What action is the government going to take to ensure there will be adequate service that individuals can trust?

Mr. Speaker: Order, please. The question seems to have a little larger context than is normally treated in the question period.

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TRANSPORT

ACTION TO IMPROVE PENSIONS OF RAILWAY EMPLOYEES IN VIEW OF HALL REPORT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact that the report by Dr. Noel Hall on railway pensions, which was finally published last week by his colleague the Minister of Labour, virtually throws the question of improving railway pensions back to the companies and to the government, can the minister tell us what steps the government is going to take to try to improve railway pensions?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I can tell the hon. member that we will be taking a very hard look at the report and the question of responsibilities. I will be discussing it with some of my colleagues, as I believe he is doing.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that one specific set of recommendations made by Dr. Noel Hall is that the CPR raise its pension provisions at least to the level of the CNR, will the minister make a particular point of that to his friends in the Canadian Pacific Railway?

Mr. Speaker: Order, please.

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IMMIGRATION

GOVERNMENT ACTION TO PROVIDE ENGLISH LANGUAGE TRAINING FOR IMMIGRANTS IN QUEBEC

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. In view of the government's stated policy that resettlement of immigrants is a necessary and integral component of any successful immigration policy, and in view of the fact that resettlement should include proficiency in one or both of Canada's two official languages, is the government considering conducting English language training courses for immigrants in Quebec entirely under the auspices of the federal government, thus guaranteeing language rights as stated in the Official Languages Act?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, first and foremost, it should be realized that English training is provided in large measure in the province of Quebec under the educational jurisdiction that they have. I met with Mr. Couture this morning. I handed him

a letter replying to his suggestion that he was going to close the English language course that is given to immigrants. As a result of this meeting with him, it seems that he is backing off a little from that and is suggesting that his main criticism is the selection criteria, who in fact decides. I think we can work something out. It should also be understood that French training is provided to workers in Ontario but provided in the province of Quebec. Therefore we are working in a bilingual milieu. Rather than fighting about it, I am hoping we can reach an accommodation.

Mr. Epp: Do we then have the assurance of the minister that the proposal to eliminate English courses for immigrants has in fact now been rescinded by agreement?

Mr. Cullen: No, Mr. Speaker, I cannot say that. The only formal indication I have from the minister is to the effect that he is terminating those particular classes. I indicated to him, both in a letter and personally this morning, that I felt that was an error, given the preconditions to actually taking the English lessons. We may have some frame of reference where we can work out an accommodation so that these classes will in fact continue, but I cannot give that commitment until the hon. minister has an opportunity to discuss it with his colleagues. Failing that, as the Prime Minister has indicated, we will look to other avenues to provide this kind of English training, be it comparable to the French training now provided in Quebec. We may provide the English training in Ontario.

ADVICE ON LANGUAGE GIVEN PROSPECTIVE IMMIGRANTS TO QUEBEC

Hon. Robert Stanbury (York-Scarborough): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. Is it the practice of his department, as stated yesterday by the Quebec minister of immigration, to advise prospective immigrants that if they settle in the province of Quebec there is no need for them to learn any language but English because that is the majority language of Canada?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, if reports that I have had on the speech made by Mr. Couture last night are accurate, the statement he made is in fact not true. We do not give that kind of advice. Second, it should be remembered that Quebec itself provides counsellors to these immigrants who indicate just what the situation is in Quebec. Third, we provide only to the province of Quebec so far, by agreement, something like $175,000 a year. They decide on the calibre and quality of the advertising from the money spent on that particular budget. I was somewhat surprised to have an indication that we were giving misinformation when the information in large measure is given by counsellors from the province of Quebec, with whom we work in very close concert.

[Mr. Cullen.]

TRANSPORT

RECOMMENDATION OF DR. HALL ON TRUSTEESHIP OF PENSION FUNDS FOR RAILWAY EMPLOYEES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a supplementary question for the Minister of Transport with regard to railway pensions. One recommendation by Dr. Hall was that the trusteeship of both the CNR and CPR pension plans should be placed in the hands of an independent trust company. Has the government given any consideration to this recommendation?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, as I indicated in my answer, we will be giving consideration to this. We have not yet reached conclusions on it.

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EXTERNAL AFFAIRS

EXPULSION OF HERRERA PERDOMO OF CUBA—REQUEST FOR EXPLANATION OF "ACTIVITIES INCOMPATIBLE WITH DIPLOMATIC STATUS"

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Secretary of State for External Affairs. After much prompting, a parliamentary secretary on behalf of the Department of External Affairs admitted last night during the adjournment debate that Herrera Perdomo, the former second in command of the Cuban Embassy in Ottawa, was expelled last June for "activities incompatible with his diplomatic status". Can the minister expound on that definition and at the same time advise this House why the expulsion was not made public at the time, or is this a new policy of this allegedly open government?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, it is hard to sort out the different parts of that question.

Mr. Alexander: You can do it.

Mr. Jamieson: Thank you for the confidence. I will be very glad to try. In the first place, as far as I was personally concerned, when I arrived back in the country yesterday I immediately gave the name of the gentleman concerned the first time I was asked. If the hon. member had asked, I would have given it to him, too.

● (1200)

As to the matter of the publicity surrounding incidents of this sort, I have asked for a meeting with the officials and some of the security people concerned, because I personally feel that this does create some problems. But I am also very much aware of the difficulties which arise when there is publicity associated with events of this kind. I am looking at the situation to determine what changes might possibly be made. Incidentally, this is not a new practice. As far as I know it is one which has been carried on by many governments of this country over a number of years. As to the definition,

again, this is a standard definition which applies in all such cases—that the party or parties concerned have carried on in a manner inconsistent with their diplomatic status. That is the wording which is used by the security people, and, I believe, by the RCMP and by the External Affairs Department.

SUGGESTION CUBAN AID PROGRAM BE STUDIED BY COMMITTEE

Mr. Otto Jelinek (High Park-Humber Valley): I thank the minister for his answer. My supplementary is this: I have reason to believe, as a result of recent information from the minister's own department, that further expulsions on a far greater scale are being considered. In the light of these allegations and the continued disrespect shown by the Cubans for Canadian relations, would the minister not consider it advisable to bring the whole question of the Cuban aid program before the parliamentary committee dealing with CIDA?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Lest my silence be taken as being some form of confirmation, let me say most emphatically that I have no evidence whatever at this point of what the hon. member called "large scale or additional action being contemplated." I am not in possession of any such information. As to the second part of the question, I would assume there is no barrier as far as the committee is concerned with regard to dealing with this matter when the estimates or the subject of CIDA are before the committee in the normal course.

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ENERGY

NATURAL GAS—POSSIBILITY OF EXCHANGE ARRANGEMENT WITH UNITED STATES

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. It relates to substantial volumes of surplus natural gas available in Alberta and which are likely to remain unconnected to markets for some time, constituting a disincentive to further development. Since gas swap arrangements do not result in any net loss of resources, would the minister tell us whether he intends to discuss the possibility of such arrangements with the United States which is currently in some need?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I hope there will be an opportunity in the very near future to have discussions of this kind with the new secretary appointed by President Carter. Clearly, a new situation has developed as far as Canada is concerned, and I believe the pricing policies of the government are to a large extent responsible for the increased interest and investment in new gas development in Alberta.

Mr. Paproski: I rise on a point of order, Mr. Speaker. For the last three or four days I have been waiting patiently for the Minister of National Defence in order to question him with regard to a very important thing which is happening in my riding. There has been a secret military report saying that the movement of the Canadian airborne regiment from Edmonton to Petawawa will cost $125 million. There have also been reports that according to the military this move is not necessary and that it is opposed by high military sources. The minister has not been around. I would hope the House leader might be able to bring him in here, maybe next week, so that he can deal with these very important questions.

Mr. Dionne (Northumberland-Miramichi): On the same point of order, Mr. Speaker, since the House resumed its sittings the Minister of National Defence has been in the House every day but yesterday and today. Therefore, the hon. member's charge is nonsense. The minister has answered all the questions posed with regard to the move of the Canadian airborne regiment from Edmonton. The answers he gave are the facts, and there is nothing further to add.

Mr. MacKay: A brief point of order, Mr. Speaker, with respect to questions on the order paper. I should like, respectfully, to remind the responsible parliamentary secretary to the government House leader that many questions I have on the order paper with regard to Statistics Canada remain unanswered. I ask that they be answered as soon as possible so that we may get on to eliciting further information.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN WHEAT BOARD ACT

MEASURE RESPECTING ESTABLISHMENT OF MARKETING PLANS

Hon. Otto E. Lang (Minister of Transport) moved for leave to introduce Bill C-34, to amend the Canadian Wheat Board Act respecting the establishment of marketing plans and to amend the Western Grains Stabilization Act in consequence thereof.

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

* * *

INCOME TAX ACT

BILL C-22—NOTICE OF MOTION UNDER S.O. 75C

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I wish to inform the House that I have been advised that it has not been possible to reach agreement under the provisions of Standing Order 75A or Standing Order 75B with respect to proceedings at committee of the whole stage of Bill C-22 which, as the House knows, is an act to amend the statute law relating to income tax. Therefore, I should like to advise the House that I shall propose on Monday a motion

pursuant to Standing Order 75C to allocate an additional eight hours to that stage of the bill.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Guillotine!

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 46, 203, 677, 737, 800, 896, 898, 913, 1,013, 1,067, 1,288, 1,292 and 1,329.

While I am on my feet, perhaps I might point out to the House, in response to the point raised a few moments ago by the hon. member for Central Nova, that the rate of return on all questions this session has been the highest the House of Commons has seen for a long time.

[*Text*]

CARLETON UNIVERSITY CAMPAIGN—PUBLIC SERVICE DIVISION

Question No. 46—Mr. Cossitt:

1. Did Mr. W. B. Britain, Deputy Minister of Veterans Affairs, circulate a letter on government owned stationery bearing the letterhead of the Department of Veterans Affairs to various persons in the Public Service appealing for funds for Carleton University and, if so (a) what is the name of the highest ranking person authorizing this use of government material (b) where did Mr. Britain obtain his mailing list and on whose authority (c) how many persons received the letter accompanied by solicitation material and how were they selected (d) who paid the cost of government materials used (e) was the material sent postage free and (i) if so, for what reason (ii) if not, what postage was used and was a government postage meter used?

2. Is it the policy of the government to allow the use of government facilities and materials for soliciting on behalf of private institutions and (a) if so, for what reason (b) if not, for what reason was it permitted in this case?

3. What is the complete employment history of Mr. Britain since he joined the Public Service?

4. Is it the intention of the government to instruct Mr. Britain and other Deputy Ministers to solicit funds for other private institutions in the interests of equal treatment?

5. What was the total cost to the taxpayer for this solicitation including the cost of (a) paper (b) printing (c) envelopes (d) postage (e) labour?

6. Was this matter at any time discussed, considered, or in any way dealt with or passed by the Treasury Board and, if so, on what dates and what are the details?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Veterans Affairs and Treasury Board as follows: 1. No. After Carleton University secured permission for a campaign, as in 2, below, Mr. Brittain agreed to assume responsibility for generating the further action required to give effect to the campaign within the Public Service. This resulted in a letter to each Deputy Head noting approval for the campaign and providing administrative detail. Additionally Mr. Brittain provided one copy of a letter destined to potential donors, signed by him, which was reproduced in multiple copies by Carleton University for distribution in departments along with informational material, a pledge card, and a self-addressed, stamped envelope, all of which was also produced by the University at its own expense. This material was delivered in bulk to departments for distribution as in 2, below. No active canvassing took place. Donors sent their donations directly to the University.

2. It is not the policy of the Government to allow the use of government material for soliciting contributions from employees on behalf of private institutions. Use of government facilities is permitted under certain circumstances. Charitable organizations of a non-sectarian nature and registered under the Income Tax Act are normally permitted to arrange for their literature to be distributed with payroll cheques and to advertise their campaigns on office bulletin boards. In addition, the United Appeal is permitted to use payroll deductions as a means of collecting donations from employees. Since campaigns of individual universities are generally limited to a region and to certain employees in that region, university campaigns have not been permitted to distribute literature with cheques. They have, however, been permitted to address and distribute campaign literature to employees in a government building in the region in which the university is located, using the mail distribution facilities within that building and, if an employee requests it, to discuss the campaign with him and collect contributions from him.

3. Department of Agriculture: 1949-1954, Junior Administrative Officer, Assistant Chief, Organization and Personnel, Chief, Administration Division, Science Services. Department of National Health and Welfare: 1954-1968, Assistant Director (Admin.), Indian and Northern Health Services, Assistant Director (Admin.), Medical Services, Director General, Administration. Treasury Board: 1968-1969, Acting Assistant Secretary, Management Improvement Branch. Department of Veterans Affairs: 1969-present Assistant Deputy Minister, Deputy Minister.

4. The government has not directed deputy ministers to solicit funds for private institutions and does not intend to do so in the future. It is the intention, however, to continue to permit charitable campaigns of the limited nature set out in the response to part 2 of this question.

5. $75.86. There being no direct solicitation or canvassing, the cost to the taxpayer was essentially that incurred by Veterans Affairs in writing to Deputy Heads, printing an information sheet for use by departments and in delivering that material. (a) $1.91; (b) $31.20; (c) $2.31; (d) $15.44; (e) $25.00.

6. On December 11, 1975, the Treasury Board approved a submission to permit Carleton University to conduct a campaign for funds among senior levels of the Public Service. It was recommended that Carleton University be permitted to conduct their campaign under the conditions previously set for campaigns of this type. The conditions allow for employees nominated by the University to set out posters advertising the campaign. The campaign representative was also authorized to address and distribute campaign literature, using the mail

distribution facilities within that building and, if an employee requests it, to discuss the campaign with him and collect contributions from him.

UIC—EMPLOYEES SENT TO BATHURST

Question No. 203—Mr. Cossitt:

1. How many employees were sent by the Unemployment Insurance Commission to Bathurst, New Brunswick, to look over and report on that city in connection with the planned movement of certain UIC facilities and (a) on what date did they leave and return to Ottawa (b) how did they travel and what was the total cost (c) in what location did they stay in Bathurst and what was the total accommodation and food bill (d) what was the total cost for all aspects of the trip (e) did any employees go fishing while there and, if so, what connection did this have with their duties as UIC employees?

2. Was any special dinner, party or function of any kind held by these employees at the expense of the taxpayer and, if so, was an amount of money added to each person's regular hotel room bill to cover the cost?

3. (a) What were the room rates (i) prior to (ii) after such addition (b) what was the total amount added?

4. What are the names and job designations of UIC officials in charge of the visit to Bathurst?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. Twenty-three. (a) Departure August 18, 1976 Return August 21, 1976 (b) By Rail—$2907. (c) Danny's Motel $2063. (e) $5021. (f) Yes. During the afternoon of Friday, August 20, members of the group were allowed to pursue their own activity. Some chose to investigate the Bathurst real estate situation; others went shopping; and about six or eight of the party went fishing, at their own expense. Since the object of the trip was to permit these employees to form their own impressions of Bathurst as a place in which they and their families might live, these activities were encouraged by those responsible for the group.

2. On Thursday, August 19, the group entertained a senior civic official and his wife. Each member of the group had $9.25 added as a restaurant charge, to his hotel bill, of which he collected $8.05 as the standard dinner meal allowance. Thus each member of the group was out of pocket to the extent of $1.20 with respect to the dinner. The balance of the cost of the entertainment, $51. was met by hospitality allowance.

3. (a)(i) $19.98; (ii) $19.98. (b) There was no amount added to the room rate.

4. Director, National Services; Director, Annuities; Director, Special Projects.

PETRO-CANADA PERSONNEL

Question No. 677—Mr. Lachance:

Between the date of the presentation of the last budget May 25, 1976 and October 12, 1976, did Petro-Canada hire, dismiss or transfer employees to other departments and, if so, how many?

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Petro-Canada reports as follows: Hired, three; Dismissed, none; Transferred, one.

DVA—RETENTION OF LAWYERS ON CAPE BRETON ISLAND

Question No. 737—Mr. Muir:

1. What are the names of the lawyers or law firms on Cape Breton Island employed by the Department of Veterans Affairs and how was each selected?

2. How much did each lawyer or law firm receive in fees and expenses in the fiscal year 1972-73 to date?

3. Can an individual securing financing through the Department select a lawyer other than those recommended by the Department and, if not, for what reason?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Justice and Veterans Affairs as follows: 1. See list following. When considering counsel for appointment as agents of the Minister of Justice the type of case is taken into account and a counsel's competence and experience in that area of the law is considered before an appointment is made.

2. See list following.

3. A veteran who wished to be settled under the provisions of the Veterans' Land Act had until March 31, 1975 to submit a loan application. Immediately after approval of the application, the Department of Justice was requested to secure a good and marketable title to the property registered in the name of The Director, The Veterans' Land Act, who, for the purposes of acquiring, holding, conveying and transferring property, is a corporation sole and as such is the agent of Her Majesty in right of Canada. The appointment of a legal agent to search and certify title was made by the Department of Justice and reflected the fact that title was being obtained in the name of the Director rather than the veteran.

Lawyers or Law Firms on Cape Breton Island
Employed by Veterans Land Administration

Name	1972/73	1973/74	1974/75	1975/76	April 1 to Oct. 20, '76
Evans, Larry	—	621.40	3130.46	2038.85	—
Gillis, T. J. K.	6390.00	5644.55	11629.50	8001.60	—
Hinchey & Hinchey	1982.50	1195.50	4077.60	4224.00	—
Le Blanc, Arthur J.	3157.85	2965.30	5393.32	4679.41	492.50
LeVatte, Geo. R.	647.50	—	—	—	—
MacDonald, Simon J.	—	230.00	—	—	—
MacLennan, J. Daniel	216.80	—	—	—	—
Ross, J. Allister	1753.60	2824.50	578.50	—	296.00
Ryan, Murray J.	—	—	—	1248.30	508.10
Smith, G. Allistaire	1244.20	—	—	12821.56	39.35

Order Paper Questions

GOVERNMENT FUNDING OF ORGANIZATIONS SUPPORTING LEGALIZED ABORTION

Question No. 800—**Mr. Epp:**

Are there organizations in Canada that support legalized abortion and who receive funding from the government to support their cause and, if so, for the years (a) 1973 (b) 1974 (c) 1975 (d) 1976, what are the organizations and what funding did each receive?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as the Departments of Manpower and Immigration, National Health and Welfare and Secretary of State are concerned, I am advised as follows: The Department of Manpower and Immigration provides grants and contributions to many organizations whose objective is to facilitate employment or immigrant settlement and which thereby complement the services of the Department. Among the projects are some providing family counselling, and such counselling might cover various aspects of family planning and pregnancy counselling. However, such aspects are incidental to the purpose of the project. No organization whose primary objective is to support legalized abortion has been funded by the government.

ELECTRICAL ENERGY—ATLANTIC PROVINCES

Question No. 896—**Mr. Howie:**

Have any agreements been reached with any of the Atlantic Provinces for a study of a power pool and, if so, with which provinces and on what dates?

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: Negotiations are proceeding to develop terms of reference for studies. No agreements have been reached.

ELECTRICAL ENERGY—GULL ISLAND PROJECT

Question No. 898—**Mr. Howie:**

Has the government made any efforts to facilitate the economic transmission of electric energy from the proposed Gull Island power development site in Newfoundland through Quebec to other parts of Canada and, if so, what form did these efforts take and on what date were they made?

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: No. However there has been some preliminary discussion between Canada and Quebec at the ministerial level. Further action is dependent upon a decision by the Government of Newfoundland relating directly to the development of the Gull Island project.

UIC—R. E. MacKAY

Question No. 913—**Mr. Cossitt:**

1. What is the complete history of Mr. R. E. MacKay's employment with the Unemployment Insurance Commission including positions held and dates?

2. Was Mr. MacKay appointed in any specific capacity such as co-ordinator etc. of the forthcoming move of the Unemployment Insurance Commission's Annuities Branch and Central Index to Bathurst, New Brunswick and, if so (a) on what date and by whom (b) has he been removed from this position and, if so (i) on what date (ii) for what reason (iii) by whom (c) was he one of the UIC employees who visited Bathurst lately to examine the City and its facilities and was his removal from the position made following that visit?

[Mr. Goodale.]

3. Did Mr. MacKay have anything to do with the matter mentioned in *Order Paper* Question Number 203, Parts 2 and 3?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. July 22, 1946, Mail Clerk; October 1, 1949, Personnel File Clerk; April 1, 1951, Benefit Computation Clerk; November 3, 1952, Supervisor Claims Preparation; May 25, 1953, Limited Authority Adjudication Officer; February 1, 1956, Full Authority Adjudication Officer; May 2, 1960, Supervisor, Adjudication; November 7, 1960, Benefit Control Officer; April 1, 1962, Senior Benefit Control Officer; July 1, 1964, Standards and Methods Officer; December 1, 1965, Senior Standards and Methods Officer; April 1, 1967, Advisor, Training and Development; July 1, 1968, Advisor, Manpower Planning and Appraisal; January 1, 1969, Senior Advisor, Training and Development; November 17, 1969, Project Officer, Program Implementation; September 8, 1970, Project Manager Personnel, New Legislation Task Force; September 1, 1971, Acting Project Director, Registration Program; May 9, 1972, Project Director, Registration Program; December 15, 1973, Special Advisor, Effectiveness Evaluation; May 15, 1974, Project Manager, Training Systems; February 20, 1975, Director, Field Liaison; June 4, 1976, Director, Special Projects; August 25, 1976, Special Projects Coordinator; November 9, 1976, Project Manager—RCT/UIC Liaison.

2. Special Assignment Pay Plan Appointment to act as a Special Advisor to the Executive Director Services in all departmental matters related to the government program of decentralization of operations. (a) June 4, 1976—Executive Director of Services. (b) Yes. (i) August 25, 1976. (ii) Mr. MacKay was asked to assume responsibility for the coordination of systems requirements of several special projects. (iii) Director General, Systems and National Services. (c) Mr. MacKay was one of the group which visited Bathurst August 19 and 20, 1976 and his reassignment as outlined above occurred on August 25, 1976.

3. Yes, as coordinator, Mr. MacKay was responsible for the administrative arrangements for the trip to Bathurst.

PUBLIC SERVANTS IN FREDERICTON, NEW BRUNSWICK

Question No. 1,013—**Mr. Howie:**

On November 1, 1976, how many persons were employed in Fredericton, New Brunswick by (a) CMHC (b) DREE (c) the Department of National Health and Welfare (d) UIC (e)the Department of Energy, Mines and Resources (f) the Department of Public Works (g) the Department of National Revenue (h) the Department of Agriculture?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): (a) 44; (b) 51; (c) 57 continuing employees, 20 term employees, 21 casual employees; (d) 43; (e) None; (f) 31; (g) 11; (h) 151.

FINANCIAL ASSISTANCE FOR CONSTRUCTION OF CHALMERS HOSPITAL

Question No. 1,067—Mr. Howie:

1. What financial assistance has been given for the construction of the Chalmers Hospital at Fredericton, New Brunswick and under what programmes?

2. What assistance is available for additional medical equipment for the Hospital and under what programmes?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as the Department of National Health and Welfare is concerned: 1. Under the Health Resources Fund an amount of $261,448 was approved for such construction, including an amount of $15,000 for moveable equipment. The Health Resources Fund contribution covers only the square foot area to be devoted to the training of health manpower personnel, (i.e., university oriented nurses, radiological technicians, laboratory technicians, electro-cardiograph technicians, electroencephalographic technicians, registered nursing assistants, physiotherapists and continuing in-service programmes).

2. See 1 above.

In so far as the Department of Veterans Affairs is concerned: 1. Under the terms of an agreement between the Department of Veterans Affairs and the Province of New Brunswick for the transfer of Lancaster Hospital finalized on September 7, 1972, $1,344,568 of the capital grant money was used for the construction of 24 priority beds for active treatment of pensioned veterans at the Everett Chalmers Hospital, Fredericton, N.B.

2. None.

BUILDING OF P.O.S. PILOT PLANT CORP. BUILDING AT SASKATOON

Question No. 1,288—Mr. McKinley:

What was the final cost and the completion date for the contract awarded in 1974 to Shoquist Construction Co. Ltd. to build the POS Pilot Plant Corporation building at Saskatoon?

Hon. Judd Buchanan (Minister of Public Works): Final contract cost, $2,391,391 (estimated). Completion date, 1977-02-28 (estimated). The actual date of contract award was 1975-12-18.

CONSTRUCTION OF CUSTOMS BUILDING, CENTREVILLE, NEW BRUNSWICK

Question No. 1,292—Mr. McKinley:

What was the final cost and the completion date for the contract awarded on July 11, 1975 to United Contractors Ltd. for the construction of a customs building at Centreville, New Brunswick?

Hon. Judd Buchanan (Minister of Public Works): Final contract cost, $273,266.42. Completion date, December 14, 1976. The actual date of contract award was June 2, 1975.

Excise Tax Act

CHARLOTTETOWN AIRPORT

Question No. 1,329—Mr. Jones:

Has a one million dollar allocation been made for runways in Charlottetown for 1978 and, if so, for what reason can the money not be allocated earlier?

Hon. Otto E. Lang (Minister of Transport): There are no plans for additional runways at Charlottetown Airport prior to 1979-80. New taxiways and aircraft apron planned for 1978-79 are integral with schedules allied to priority requirements for a new passenger terminal complex and related facilities.

[*English*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed from, Thursday, January 27, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-21, to amend the Excise Tax Act, be read the second time and referred to committee of the whole.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like to bring a number of matters to the attention of the minister. My reason for doing so at this point is to allow him the opportunity to look into the remarks I am about to make and provide me with answers at some appropriate time as the bill proceeds. One of the questions I wish to raise with the minister is this. As we know, he has had to back away from the position he originally took in trying to promote energy conservation through a measure depending upon the weight of cars. He is considering whether it is not more appropriate to impose penalties based on the mileage per gallon or lack of mileage per gallon achieved.

I wonder whether the minister has done any research in a similar direction to determine whether the penalty on air-conditioners might not be counterproductive. The understanding given to us in defence of the imposition of a tax on air-conditioners was that they consume a tremendous amount of energy. This seemed a plausible argument and one which we on this side are prepared to support if it will, indeed, result in conservation. However, representations have been made to me suggesting that in fact air-conditioners might not be especially important in terms of energy consumption.

I should like to read the following letter to the House and ask the minister to reply to it at an appropriate time. The letter is from Dave's Auto Radio, of Kitchener. It is headed "Re: Bill C-21, automotive air-conditioner tax", and reads as follows:

● (1210)

The proposed purpose of taxing automotive air-conditioners is to encourage people to conserve energy. This is based on the assumption that car air-conditioner units are a heavy user of fuel.

I feel that this is only the case air-conditioning units that operate all the time such as GM's Comfortron. All manual air-conditioners operate only when needed and then only intermittently. These units are thermostatically controlled and as soon as the car's interior reaches the desired temperature, the compressor shuts off.

To be more specific on consumption of fuel, it is a well known fact that a car with the windows down on a hot day will consume as much, or more, fuel than a car with air-conditioning and the windows up. This is because when the windows are down, the car is subject to wind drag. When windows are up, it presents a clean entry into the air.

I believe that you and other MPs are being misled and poorly informed on this matter.

The letter is signed by Mr. Johnson. I do not have at my disposal the kind of research that would be required to know whether the arguments being put forward in the letter are as stated, but I think this is a very important matter. Since the question has been raised and the minister has had to reconsider some of his other approaches to fuel consumption, such as the weight of cars, the minister should tell the House what kind of research has been carried out on air-conditioners and what happens to fuel consumption. Have the facts put forward in the letter been examined, and what conclusions has the department come to?

Another matter I should like to raise at this time has to do with a letter sent to the hon. member for Regina-Lake Centre (Mr. Benjamin) from the Canadian Council of Rehabilitation Workshops. The president, Mr. Les Gray, asked the hon. member for Regina-Lake Centre to have this matter raised in the House when the Excise Tax Act came up for examination, so this seems to me the appropriate time to raise it. I think I could best put the argument in the form in which it appears in the letter, and I will quote directly from the letter and ask the minister what is being done in this regard. At the conclusion of the letter there is some indication that the matter is under study, and once again I should like the minister to report at the appropriate time what the studies have revealed and what conclusions the government has come to in terms of making a policy decision. The letter is addressed to the Minister of National Revenue (Miss Bégin) and reads in part:

The purpose of this letter is to bring to your attention certain exclusions in the guidelines under the federal Excise Tax Act related to exemptions of federal sales tax for institutions and facilities whose prime objective is the rehabilitation of handicapped or disadvantaged persons.

A number of the workshops or rehabilitation facilities in Canada are not involved in activities that produce an item that would be considered under the act. Specifically this would be the renovating or refurbishing of items for resale such as clothing, electrical appliances, furniture, etc. In the course of these activities they must utilize various supplies and equipment to carry out this function, some of these being dry-cleaning fluid, soaps, buttons, paint, nails, electrical wiring, various tools and machinery such as washers, saws, drill presses, etc. that they must purchase and are charged federal sales tax.

The market segment for these goods is extremely selective and economically depressed causing a very low margin of return for the facilities who in turn must reflect this in the payment to the workers, retarding any incentive that may be generated, thereby in large measure defeating the rehabilitative goals of the facility. Being exempt from federal sales tax would greatly assist these facilities in achieving their objectives.

A further consideration is in the area of federal sales tax that is charged in the purchase of building materials for new construction or renovation of the previously mentioned facilities. The current costs of construction have made expansion in this respect extremely limited and I would ask that consideration be given to the exemption of the facility in these purchases or by some means applicable to the contractor.

The third matter of consideration is to a change in the guidelines related to the certification of institutions so as to encompass the broad spectrum of persons that we attempt to rehabilitate. At present, under the strict interpretations, persons who are socially disadvantaged and others who are in a transitional state following confinement to a penal institution, drug or alcoholic treatment centre and who make up the majority of persons in a given facility are not covered in the certification authority granting that facility exemptions of sales tax in production or purchase of materials and equipment.

It would be difficult to determine the exact amount of revenue that would be lost if these proposals were to be acceded to, but I feel it would be very minimal on the scale of the total intake of federal sales tax.

We have been advised that the current guidelines are presently under review and ask that you give the above matter your most serious consideration.

It seems to me, Mr. Speaker, that this, too, is an important matter and for this reason I raise it at this time. Since the matter is under review and we are prepared to make exemptions under the Excise Tax Act regarding certain items of social importance, it is a matter of considerable concern that we know whether the department has come to a conclusion or whether the minister is prepared to grant these exemptions to rehabilitative centres. If some difficulty is caused because there are so many items purchased, then I suggest it is possible from the administrative point of view to institute some kind of rebate or withdrawal system at the end of a purchase period which would reimburse these institutions in respect of sales tax.

I will leave this matter with the minister and give him an opportunity of refreshing his memory or obtaining additional information from his officials, and I would ask him to reply to the two matters I have raised when the bill reaches committee stage.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I do not think it would be proper to comment on Bill C-21, to amend the Excise Tax Act, without taking a brief look, at least, at the history of this excise tax in Canada. I think it is one of the poorer forms of tax which governments over the years have introduced and which this government has perpetuated, added to and changed. I say "poorer form" because it is a hidden tax, the kind of tax that people who pay it really have no knowledge of unless they happen to be versed in the law or business practices. Further, it is a tax that has another tax on it. In

other words, nine of Canada's ten provinces have added a retail sales tax which automatically is increased by this hidden tax known as the Excise Tax. Another poor feature of this tax is the amount of paper work, recording, and so on, which is forced on small businessmen. In fact, it is forced on all businessmen, but it is a greater burden, I am afraid, for small businessmen.

I think the honest policy for the government to take, though I am afraid this government has no intention or perhaps does not have even have the ability or desire to take this kind of tack, would be to replace this kind of tax with some other kind of tax which individuals then know they are paying. I do not know what kind of tax could be substituted, but I should like to put forward one or two ideas. It has been said that a sales tax, particularly this sort of sales tax, is regressive because it is paid equally by rich and poor and has no regard for the situation of the individual who is paying it.

● (1220)

Some four years ago in this House I advocated that the income tax was also an unfair tax and that it should be replaced. At that time I was thinking—in fact, I suggested it to this government—that income tax could easily be replaced by some sort of a consumption tax which would be like a sales tax but need not be hidden and people would know what they were paying. That attracted great criticism from the other side, on the basis that my suggestion was regressive and it would hurt the very people the government wants to help. They cannot have it both ways. They cannot, on the one hand, say that to eliminate the income tax would be regressive, while on the other condoning and in fact supporting a tax such as this excise tax.

It was my contention at the time that exemptions could be granted to help those in lower income ranges to make the purchases everyone has to make of the essentials, which could be exempted from this kind of tax. For example, food is generally exempt now, I believe, and would be exempted from the consumption or sales tax. Other essentials are clothing and housing. The list might be a little bit longer than that, but those are basics and could be exempted.

The critics of my remarks at that time also said that Canada could not get along without an income tax. That is only because we have had governments over the years which have spent themselves into the position where they must have that kind of tax in order to raise the huge revenues they need. I would remind the government that Canada got along for 50 years without an income tax—from 1867 until 1917. I would remind it, too, that in 1917 income tax was introduced as a temporary measure to raise funds for the war effort. That went on, as we know, and it was even called the income war tax act until after the next World War, when in 1949 the name of the act changed to reflect its honest purpose and it is now called the Income Tax Act. Just to say the government cannot get along without it because it needs the revenue is not good enough.

The government examines all sorts and manner of things from beginning to end, ad nauseam, and there is no reason at all that the government could not examine other means of raising the revenue it needs. I know we are not debating the Income Tax Act, Mr. Speaker, but I think it is worth while to draw the parallel so the government might be moved to consider some alternate form of revenue or some other treatment of this kind of tax.

The government has often talked about equity and simplicity, as in fact it did in the white paper on income tax. I do not think there is anyone in this House who thinks our tax system is either simple or equitable. This excise tax is just another example of a dishonest way of raising money from the people, because it is a hidden tax. Hidden taxes really cannot be said to be honest types of taxes. Therefore, I am urging that the government take the opportunity it has of using its facilities to make some real studies to find ways to overcome the problems I am raising.

Dealing with the bill itself, the fact that there are things to criticize does not mean it is a bill in which we cannot find some good features. For example, in the minister's statement last night he made reference to the removal of the sales tax from a number of items which contribute to the conservation of energy. I do not think we can argue very much with that. The proposal is to remove the tax from such items as solar furnaces, heat panels, heat pumps and wind-powered generating equipment. Furthermore, the proposal is to extend the current exemption to include thermal insulation materials designed for use in insulating pipes and ducts used in buildings and mechanical systems.

The minister also made reference to the statement tabled by his colleague, the Minister of Energy, Mines and Resources (Mr. Gillespie), entitled "An Energy Strategy for Canada—Policies for Self-reliance". The reference to that paper, I think, led the government to move to the conservation aspects of this bill, many of which are contained in clause 5.

One of these which I think was somewhat unfair was the addition of the $100 tax on air-conditioners when installed in automobiles. There is one particular aspect of that which I think is unfair to the Canadian taxpayer. That is, it was applied retroactively. That is to say, where a valid contract existed on the budget date, the date of that contract was ignored and the tax was applied also to any vehicle that had been purchased or contracted for prior to that date. This completely ignores the fact that a contractual situation existed between the purchaser and the vendor. Through no fault of his own, the purchaser—or the transaction, in any event—was burdened with an additional $100 excise tax.

That may not be a "life or death" proposition for someone who is contracting to spend a lot of money to buy a new vehicle, but it is an example of the fact that this government has chosen, again, to ignore the effect of contracts and apply its penalties to people it probably did not mean to trap in the first place. In any event, that has been explored, and there is no question but that the tax on air-conditioners for vehicles

applies as of May 25 in spite of the fact that a contract may have been entered into a month or two before that date.

Clause 5 also refers to a weight tax on automobiles. The idea put forth by the minister undoubtedly is that heavier automobiles use more gasoline and, therefore, they should be taxed to discourage their purchase in order to conserve, in this case, petroleum energy in Canada. However, the minister has presented no statistics to support the argument that this is a desirable form of taxation or a desirable thing to discourage. I do not think I would argue that a heavier vehicle will not burn more gasoline than a lighter vehicle, but that is not the only measure of the use of energy; that is, the amount of gasoline a vehicle may burn. After all, it costs a lot in energy resources to produce a vehicle. I put it this way to the government, that a heavier vehicle may last two or three times as long and may be able to travel two or three times as many miles as a lighter vehicle that is not as well made.

● (1230)

The lighter vehicle may get somewhat better gas mileage and conserve energy in that respect, but if the heavier vehicle lasts twice as long or three times as long as the lighter vehicle, it leads to a real saving of energy; and not only of energy but of resources, because two or three lighter automobiles would need to be produced in order to replace the lighter vehicle which had worn out. I do not have the facilities to conduct tests which will prove my argument, but the government has those facilities. I think the government owes it to Canadians to use its extensive research facilities to study what I have been suggesting. It should do it before it imposes a tax which is based on conclusions which may not be accurate.

I shall leave that particular aspect of the matter and mention, before I finish, the aspect of cottage industries. The excise tax set certain limits in the past which at the time were probably realistic but which nowadays are not. Today, many small businesses are struggling to stay alive; struggling, I say, because in most cases these small businesses are not corporations but are run by a proprietor trying to make a living. That proprietor, who may be producing relatively small quantities of goods to sell to consumers, finds himself trapped by the present excise tax limit. He finds that he is included in the $10,000 manufacturing level and a large proportion of his net income must be paid to the government in the form of excise tax.

I am not saying that the principle is incorrect. After all, many of these people are manufacturers. But this situation is a further example showing that the government has failed to keep pace with what is happening from day to day; has failed to keep pace with the present-day situation. I appeal to the government to stop making band-aid changes to legislation like this, especially to stop making changes which have been insufficiently thought out, because some Canadians are trapped in circumstances they did not design for themselves. I hope there will be some permanent improvement to the system of taxation in Canada.

[Mr. Clarke.]

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I cannot let a bill on excise tax go by without saying a few words and expressing some of my own sentiments about the excise tax, a tax which I think is probably more unfair than any other type of tax. It really does nothing: especially, it does not do what the government would like to tell the people it does. I said it does not do anything, but it does: it raises lots of money for the government and many people who are paying it do not really know when and how they are paying it.

The discussion paper of June 23, 1975, on federal sales and excise taxes set out a number of criteria for an effective sales tax, namely, an optimum blend of neutrality, flexibility and efficiency. The paper finally recognized that the tax is not exclusively a revenue source but is an effective means of influencing consumption and resource utilization in accordance with policy goals. I do not agree with those assumptions. How can a hidden tax influence consumption and resource utilization? It is put on at the manufacturing level and people do not realize or recognize they are paying the tax. It is not put on in front of them; it is hidden. If it were put on at the retail level, I am sure retailers would make certain that consumers knew what tax they were paying—and I am sure this would make the government very unpopular.

I do not think consumers would like it if they realized, every time they bought something, just how much excise for federal sales tax was put on the item, especially considering the percentage rates now charged. Therefore, I cannot agree with the philosophy of the paper regarding resource utilization. I do not think this type of tax helps very much to influence resource utilization, especially since the people do not know what tax they are paying and why they are paying it. As I have said, it certainly raises a great deal of money for the government. It would appear to me, from a study of the schedules of excise tax, that the tax is put on those goods which the government feels will be easy marks and about which the people will not get too upset. About the only time people realize the tax is being put on is at times like this when we have the opportunity to tell them exactly what is going on. Only then do they know.

Many logical briefs were presented to the Minister of Finance (Mr. Macdonald) in the past year in support of changes to the excise tax and sales tax, briefs such as the one submitted to the minister by the Canadian Handicrafts Council, which points out many of the inequities affecting Canadian craftsmen. That was a very good brief—but nothing has been done about it. Some craftsmen have to pay the tax, and some do not. Painters and sculptors do not; but silversmiths, leathercraft workers and similar craftsmen must pay the tax. Really, these people are small businessmen. They ply a craft and sell their wares either to supplement income or to make a living. It is the small manufacturer who is caught, who really gets hurt, who really gets confused and who really does not understand what is happening to him.

Small businessmen have to pay the excise tax. Some of them are classed as small manufacturers. Mr. Speaker, there is a limit today of $3,000 which was established over 25 years ago. That limit $3,000 may have been sufficient according to the

standards of a long time ago, but it is not good enough now. Surely, in Canada, we want to encourage as many people as possible to work for themselves and to start small businesses. Surely, it should be one of our goals to encourage people to work for themselves. Surely, craftsmen should be part of this process. They could easily become the big businessmen of tomorrow, but they are discouraged by an innocuous-sounding tax such as this which stands in the way of their getting started.

● (1240)

I think the $3,000 limit is not high enough. It should be raised to at least $15,000, which would give these types of people an opportunity to start in business and buy the materials they need to become manufacturers and make a living. This is the sort of thing that we should encourage in Canada. Too much has happened in this country in the last few years to drive businessmen and manufacturers out of Canada. They have not been given sufficient opportunities to get started here.

A person who comes to my mind is a pipe manufacturer in my riding who has a business the profits of which are limited to a sufficient amount to allow him to make a living. But this excise tax takes away 12 per cent, which is a large amount for such a small business. He could start the same business in the United States where there is no excise tax, and from there supply the Canadian market. That would not be very good for this country; we would lose a citizen and a manufacturer.

Another man in my riding who has a small business of his own is making an excellent product, namely, toys. He is struggling to get ahead. But, now, not only does he have to pay the excise tax but he has to do all the paper work as well. It is discouraging to those people, many of whom give up and say to themselves that if they cannot get started in Canada, if they are to be inhibited at every turn, it is easier for them to go on welfare. That is not the way people should talk. We should encourage Canadians to start their own businesses. I say that the small businessman or manufacturer today can have a big business tomorrow. Let us give these people a lot of encouragement.

The fact that this tax will be taken off solar-heat component parts will encourage the development of this source of energy in Canada. That is good and timely. However, if the minister remembers, I have sent him letters regarding the 12 per cent tax on wood stoves. Stoves which use gas or oil, non renewable resources, are not taxed. We have a good supply of wood in many parts of Canada: it is a renewable resource. We are not using wood stoves to any large degree at present, but in the not too distant future we will be using them. I do not know why the tax was imposed in the first place. Perhaps at one time it was put on to encourage people not to use wood but to use oil and electricity. This decision is back-firing today. I think the department should take a long look at the imposition of a tax the result of which is to discourage people from proper resource utilization.

Not long ago the former minister of finance imposed a 10 per cent tax on aircraft, reportedly because of the high fuel consumption of aircraft. Yet the small aircraft does not use as much fuel as a car. I have a letter here telling me about a businessman in Calgary who has to use his aircraft to go to Drumheller. It is a C-172 Skyhawk. He uses $2.93 worth of fuel. If he took his car, a Cougar XL, he would spend $16 on fuel. That is a tremendous difference. There is a doctor in my riding, in the town of Kelowna, who uses his aircraft to fly to Vancouver. It saves him time and fuel and it is a much better mode of transportation than a car. Perhaps he should fly on scheduled airlines, but the schedule of the airlines does not fit in with his schedules. If he went on a scheduled airline he would have to stay overnight in Vancouver, but when he uses his own aircraft he can go down and back in the same day and he uses much less fuel than if he travelled by car.

Another point I would like to make is that many different taxes are put on small aircraft, such as the sales tax, the user tax and the user-pay tax at airports, all of which discourage the use of this type of transportation. You can buy an aeroplane for the same price that you can buy a car. Therefore, people should be encouraged to use aircraft. If you really want to know the reason the government puts a tax on aeroplanes, it is that aeroplanes are very popular with most people, although not many use them. This is not the type of reasoning that should be behind the imposition of the excise tax.

Before concluding I would like to make a few remarks about the 10 cent gas tax which was put on by the government. I spoke against it at the time. It has been on now for around a year and a half. It is a hidden tax; people do not realize it is there. I bet it has not stopped people using a half a gallon of gasoline more. They are using just as much gas. People do not know about the tax when they go to the gas pump, and it is costing the government plenty of money to collect it. In some instances people are allowed a rebate on the tax, which means costly paper work. This proposed tax will not solve the problem which the government suggests it will. The government should look at other ways of solving this problem so that people will understand what the government is trying to do. A gas tax is not the right way; its purpose is to raise more money for the government. All it has done is just that—raise more money for the government.

● (1250)

Granted, farmers, fishermen and ranchers get a rebate, but only if they take the time to fill in the necessary forms and send them in. Quite a few farmers and ranchers are not doing that and the government is getting a free ride; but this is a cost to farmers and ranchers. If this government really wants to do something for them, it will take the tax off purple gas. It should not have been imposed in the first place. If the government really wants to do something for them, it will put a stop to all the paper work. Then everyone would benefit without having to file for a rebate. However, I do not think that is the main issue. I do not think the tax should be there at all. I think it is an unfair tax. If the provinces want to impose a tax, they can justify it by using the money for building roads and things of that sort. That is a different matter. But the federal government should not be imposing this tax.

I hope the minister will reconsider many of the things about which we have been talking and writing to him in the past year, and that he will do something to help small businessmen, small manufacturers and those who want to get into business. Today, $3,000 is not enough; it has to be more. I recommend $15,000.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in view of the fact that it is almost one o'clock, I wonder if I may call it one o'clock and continue after lunch.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): It being one o'clock, I do now leave the chair until 2 p.m.

At 12.54 the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

● (1410)

Mr. Stevens: Mr. Speaker, I begin my remarks on second reading of Bill C-21 by putting a question to the House and to the minister concerning changes that he appears to have made, and which he referred to yesterday, in the bill compared to the ways and means motion produced on May 25 when the minister's budget was first introduced. In this connection I would point out that yesterday, as reported at page 2478 of *Hansard*, the minister mentioned that they were in a bit of a quandary as to whether they had hit upon the right energy conservation formula; namely, was it correct to assume that the weight of an automobile was the only gauge as to whether it was a heavy energy user? To that end the department seems to have been sufficiently persuaded that their original proposal of May 25 was not adequate. The minister said:

> As a result of these discussions the government has been persuaded that an alternative form of tax based on vehicle fuel consumption rather than weight should be explored further by the industry and those within the government with responsibility for energy conservation.
>
> To provide sufficient time for an in-depth study of this alternative, it was decided that the impact of the proposed tax changes should be reduced. For this reason the bill provides for a reduction of 75 pounds in the automobile weight limit and a reduction of 100 pounds in the weight limit for station wagons and vans, rather than—

I emphasize this:

> —the reductions of 250 and 350 pounds respectively proposed in the May 25 budget speech. The reductions in the weight limits and the increases in rate of tax applicable to vehicles in excess of the weight limits are effective as of September 1, 1976. The further reductions in the weight threshold proposed in the May budget to come into effect in 1977 through 1979 will not be implemented at this time.

I draw hon. members attention to that reference by the minister. If hon. members review the ways and means motion and compare it with the provisions that are in the bill before us, they will see quite clearly what the minister is referring to. In the motion that was before us on budget night, for example, an automobile was taken as having a current structure weight or weight threshold level of 4,500 pounds. It was then proposed that the threshold level be reduced, starting in 1976, to 4,250 pounds and then dropping year by year, until 1979, to 3,500 pounds. Likewise, station wagons were to have a current structure of 5,100 pounds, to be reduced to 4,750 pounds by 1976 and eventually to 3,700 pounds in 1979.

As I read the bill before us, the government is suggesting that the weight not be reduced to 4,250 pounds, as I indicated was the 1976 figure, but be reduced only to 4,425 pounds. That is to say, the 75 pounds to which the minister has referred, and all the subsequent years reductions that were contemplated for 1977 through to 1979, simply will not be put into effect. My point is simply this, and I guess this is a point of order: can this type of variance between the ways and means motion and the bill be tolerated in the House without having the ways and means motion amended to give effect to the bill that the minister is now proposing?

Mr. Deputy Speaker: I imagine the hon. member is raising a point of order, and this is not his participation in the debate. I will, therefore, call upon the minister on the point of order.

Mr. Stevens: I intend it as a point of order, Mr. Speaker.

Mr. Macdonald (Rosedale): Mr. Speaker, it is quite true that the bill under debate today is not in the same terms, with regard to the tax, as was the case with the ways and means motion which was tabled on May 25. In effect, that ways and means motion expired with that particular session of parliament. Therefore, it is the new ways and means motion that was tabled in and adopted by this House as a condition precedent to the introduction of this bill which would govern in that regard. I am advised by draftsmen and legal counsel, and I believe that the terms of the bill are in accordance with the authorization from the governor in council under the new ways and means motion.

Mr. Deputy Speaker: The Chair is ready to listen to further argument if hon. members wish to participate. If not, the matter will be taken under advisement and a decision rendered later, if the House is agreeable.

Mr. Baker (Grenville-Carleton): Agreed.

Mr. Stevens: Then I will continue with more general remarks concerning Bill C-21. I believe it is fair to say that many of the provisions and measures announced in the May budget supporting energy conservation, which at least in part are reflected in this bill, are good. I believe it is also fair to say that they are insufficient to begin the task of getting a grip on the enormous energy problems facing Canadians. Far more encompassing measures apart from elimination of the excise tax on alternate energy hardware is needed if we are to ensure an adequate supply of energy for ourselves and future generations.

The Manitoba chamber of commerce, in a 1976 study on energy policy, stated that Canada surpassed the United States in 1974 and boasted the highest per capita energy consumption

of any economy in the world. It was estimated that we would be importing nearly one million barrels a day of oil in 1985 to meet our needs. The study recommended, among other things, increased tax incentives for research and development of alternate sources of energy, as well as incentives to the home owner to encourage conservation of traditional energy sources. The study found that by upgrading thermal performance of insulation, and by improving the efficiency of furnaces, energy consumption in the home could be cut by 15 to 25 per cent.

To encourage the widespread use of these measures the study urged not just the elimination of the federal excise tax on these items but a federal income tax credit on any expenditure to improve the efficiency of home energy consumption. Storm windows and doors, added insulation materials, caulking and weather-stripping materials were among the items which would qualify for a tax credit. As home heating accounts for 60 per cent of all residential energy consumption, the savings resulting from the upgrading of all substandard housing would be considerable—enough to stretch our energy supplies far beyond their expected life. It is projected that we shall be importing one million barrels of oil a day by 1985. At present prices, the importation of oil will cost us around $5 billion annually. The loss of tax revenue resulting from the provision of tax credits would be more than compensated by the enormous savings under regional subsidies in relation to oil importation and the reduction of the enormous outflow in our foreign exchange to which I have referred.

● (1420)

I believe the points raised by the Manitoba chamber of commerce are worthy of consideration by hon. members. As we know, there is a modest program in being at present through which the government is encouraging the installation of insulation in homes in the provinces of Prince Edward Island and Nova Scotia. We do know that many of the other provinces feel it is unfair to be treating those two provinces differently from others in eastern Canada. In my view, the government should give consideration to the interesting suggestion that a tax credit should be available to those who are willing to improve the quality of the insulation of their homes. After all, energy is used by people throughout the nation, and the government might well consider an approach using the incentive to which I have referred. I imagine that many hon. members have received letters from constituents pointing out that they have made additions or improvements affecting the insulation of their homes, and asking why they could not be encouraged to go even further by a provision of tax credits in their favour. For example, I have received a letter in which a constituent said as follows:

> With the energy crisis coming closer with each passing day, it behoves all of us to do what we can to conserve what we have. With this end in view I have insulated my whole house with thermal windows and insulation all over the house. As you can well imagine, this is an expensive undertaking and the thought occurred to me that there should be some recognition of this fact by our government via an income tax allowance.
>
> I have written to Mr. Macdonald, the Minister of Finance, and in his reply he gives me two reasons why this cannot be done. Both, to me, appear specious and irrelevant. He says that taxes on all insulation materials have been removed and that if such an allowance were made it would be of more benefit to the wealthy than to the poorer people.

The writer continued:

> A similar letter to Alastair Gillespie has, to date, not brought forth the courtesy of a reply, which is to be expected in view of recent revelations.

I do not know what he is referring to there. But surely it makes sense to take whatever steps we can by way of taxation or otherwise to ensure that less energy is consumed in this country. Success in this respect would mean that whatever problems we encounter in the future will be less serious than would be the case otherwise. But let us go further than the present bill contemplates.

I think it is unfortunate that the minister should have to reveal, as he did yesterday, that though the government has had ample time to consider the matter—they have been aware of the problem for several years, as a matter of fact—his department has somehow given insufficient attention to the fact that the test of weight alone is not the most significant test when seeking to determine how to encourage people to use automobiles capable of using energy economically.

I am pleased, however, that the minister and the department are at least wavering on the position formerly taken, and that the criteria may be altered to include considerations which are more meaningful, for example, the number of miles per gallon a car can travel under Canadian weather conditions. As I have indicated, an excess tax imposed on the basis of weight is not necessarily the most effective means of encouraging energy conservation. My hon. friend from Vancouver Quadra (Mr. Clarke) has drawn attention to the fact that by concentrating on vehicle weight it is possible to introduce a distortion into the system of production, which may result in an over-all loss of energy since more would be needed in the production of the cars themselves. That, as I understand it, is the argument put forward by my hon. friend and other colleagues. If stress is laid on the production of light cars which may wear out more quickly than heavier cars, the manufacturer might in the end be required to produce two or three cars for every one of the other vehicles if they were heavier or more reliable.

That is one argument. I should like to advance a second argument. Weight alone, as I have said, is not necessarily the best guide as to which vehicle is the most efficient user of energy. Very often, heavy cars run more efficiently than lighter ones. In any case, the use of the term "weight" can be ambigous because there are four different ways of measuring automobile weight. Mileage per gallon is the best and more equitable. The Department of Finance initially proposed to extend its current excise tax on heavy automobiles to those which are less heavy. Details of this tax were shown originally in the budgetary papers. In general terms, any car weighing in excess of 4,250 pounds in 1976, or 3,500 pounds in 1980, will be subject to a tax in proportion to the excess. The excess tax which was proposed in the budget to encourage fuel conservation was related to the weight of the vehicle.

This move seems likely to encourage the production of lighter cars, but not necessarily cars which use less energy. However, as an official of the finance department put it to me

one day, not only do we need lighter cars but we need more efficient cars. The minister in his remarks yesterday stated the same thing, in effect. As reported at page 2478 of *Hansard*, he said:

> The purpose of the tax is not to raise revenue but rather to encourage Canadians to demand, and the auto industry to produce, lighter and more energy efficient cars.

My point is that we need efficient cars, not necessarily lighter cars, because lighter cars will not necessarily show a better record of energy consumption. I should like to put some figures on the record to demonstrate what I mean. For example, there are four classes of car. According to EPA tests in 1976—and I convert the EPA figures into Imperial gallons—there are four classes of cars which show a mileage reading of 24 m.p.g. They are the Cutlass Oldsmobile, Omega Oldsmobile, LeMans Pontiac, and Ventura Pontiac. The curb weight of those vehicles is as follows: the Cutlass Oldsmobile, 4,020 pounds; Omega Oldsmobile, 3,445 pounds; LeMans Pontiac 4,010 pounds; the Ventura Pontiac, 3,440 pounds curb weight. These four cars have six cylinders, yet under the original proposal that we were faced with on May 25 the excise tax on the Cutlass Oldsmobile would have been $500, the Omega Oldsmobile would have had no excise tax, the LeMans Pontiac would have had $300 excise tax, and the Ventura Pontiac no tax.

● (1430)

I could give various mileage rating levels for other cars, including relatively small cars and cars that most of us would consider relatively heavy cars. For example, taking another level, the 21 miles per gallon level, we find that the Matador, of American Motors, weighed in at 3,785 pounds; it has six cylinders and would carry an excise tax of $70. The Seville Cadillac, rated at 21 miles per gallon, has a weight of 4,340 pounds, eight cylinders and an excise tax of $480. The Granada Ford, again at the 21 miles per gallon level, has a weight of 3,540 pounds and eight cylinders, but only an excise tax of $30.

I need not go further with these statistics, Mr. Speaker. I have them for most of the current models which are being sold in Canada. The point I want to make is that as originally conceived the department was wrong in its approach of using the weight test as opposed to the more meaningful miles per gallon test to which I have referred. In short, the original provisions are not equitable. In this last case all automobiles achieved the same energy efficiency, yet are taxed, or would be if the original proposals were to become law, in varying amounts due to difference in weight.

I should emphasize that the tax is calculated by the 1980 case, which is when the ceiling would be 3,500 pounds. As the figures demonstrate, cars achieving an average of only 18 miles per gallon will be taxed about $50, yet a car achieving 23 miles per gallon will be taxed as much as $400. Based on an average travelling distance of 12,000 miles per year, the more heavily taxed car will consume 145 gallons less than that which a less efficient car will use. Let me cite further figures to show another way in which the weight tax is not equitable. I refer, for example, to the Lincoln-Mercury group of cars which under the EPA fuel economy test are rated at 16 miles per gallon. Their weight is 4,928 pounds. They had an average 1976 list price of $13,014. They will have an average list price by 1979, according to the estimate of the automobile industry, of $19,053. The tax in 1979 would be $840, a 4.4 per cent increase, yet the possible decrease in sales will be from 9 per cent to 22 per cent.

I could cite similar statistics for the Chevelle Chevrolet, Seville Cadillac and Century Buick, but the point I wish to make is that the increase in the price of a car due to the weight tax applied in 1979, if the minister proceeded with his original thinking, would show no corresponding increase in fuel economy. The Seville Cadillac, with 21 miles per gallon, would increase in price by 1.9 per cent; the Delta 88, with 18 miles per gallon, by 6 per cent; and the Thunderbird, with 16 miles per gallon, by 3.9 per cent—the Thunderbird being the statistic that I specifically read into the record.

Perhaps the most blatant example of how weight is not indicative of fuel economy is to compare the Renault 5 to the Peugeot 504 diesel. Although neither could possibly be taxed, this illustrates the point well. Both cars are in the top ten when rated by efficiency. The Renault achieves 39 miles per gallon, and the Peugeot 36. The Renault has a curb weight of 1,835 pounds, yet the Peugeot is 3,045 pounds. Using weight as the single factor to predict efficiency is not accurate. As my first set of figures show, the number of cylinders plays a role. So does the size of the engine and the type of transmission used, whether manual or automatic. Although weight may have more effect on the efficiency of an automobile than any other factor, it is still not the best indicator of fuel economy. The EPA mileage figures are the best indicators, as I have said.

I have cited those figures, Mr. Speaker, because I believe it is unfortunate that the minister is not in a position today to give us his new approach. He has simply said that he is holding back, that at a subsequent time the government is going to alter its approach. If we believe sincerely that this measure was right in its intent to try to conserve energy in this country, the fact is that we are stalling. Once again the government is in a dither. It does not know which way to go, and we, the Canadian public, are being asked simply to stand still and not—I emphasize "not"—press for needed tax changes to ensure less energy consumption by automobiles.

Having said that, Mr. Speaker, I hope that in addition to giving us his further thoughts as to what type of approach he intends to bring in at a later date, the minister will also reply to the question why the government does not reverse its tactic. Why is it only suitable to increase excise tax on certain vehicles and not remove it on vehicles which the government thinks are the most efficient when it comes to mileage? Would it not make more sense to identify the cars that are least energy-consuming, and lower the tax on those cars so that people, especially those in lower income brackets who wish to buy this sort of car, can do so at lower cost than is the case today?

Although the government says it is not looking for additional revenue, its response is not to reduce excise tax to enable more efficient vehicles to be purchased by people, especially in the lower income brackets. The government proposes to increase the tax on other vehicles. With all due respect, I suggest that this will not have the desired effect which the department thinks it will have. Those who wish to buy big cars, by whatever test they like to choose, are probably going to continue to buy them despite relatively high tax, while the government gives no encouragement at all to persons of lower income to buy the relatively efficient cars, encouragement which a reduction in the excise tax on such vehicles would give.

I would also stress that the effect of the weight tax could be severe. General Motors has announced that starting with their 1977 line, all their full-sized cars will be eliminated. Ford is pursuing a longer-range project which aims to increase the fuel economy of their automobiles. Introduction of a weight tax for 1977 model cars will leave Ford at a competitive disadvantage. All of their new small cars will not be introduced until the introduction of the 1978 models in the fall of 1977. The industry is preparing for 1980 fuel economy measures. Throwing another measure, weight, into the works could undermine the industry's research. I have mentioned this because the minister indicated that they have drawn back, but he has also stated they are awaiting the alternative approach they are going to finally bring in as they review with industry and other officials the proper course to follow in this field.

● (1440)

The weight tax is anticipated to net the government, as it was originally estimated, $35 million. This figure implies that the government has estimated the effect that the tax will have. Indeed, it has not. The figure, rather, is ball-park figure, the average of a tax with no effect on the market and the average earning of a tax with considerable effect. Similarly, the estimated revenue of $7 million from the excise tax on automobile air-conditioners only represents the mean of an upper and lower estimate of $10 million and $5 million. Thus, the statisticians do not know whether the tax will result in the sale of 100,000 air-conditioners or half that many. One must wonder whether, considering the apparent lack of precision in determining the effect, the government is merely instituting another money winner or is really serious about energy conservation. During our committee of the whole review of this bill, I hope the minister will be in a position to give us some estimate as to what he anticipates will be the revenue from the various taxes we have before us in Bill C-21.

Probably the best indicator for the effect the tax will have is the price elasticity given by the industry. In the automotive industry a 1 per cent increase in the price of a car can result in a 2 per cent to a 5 per cent drop in vehicle demand. It is not clear whether this relationship is applicable to individual autos. For instance, rather than having sales of all taxed cars drop by their assigned percentage points, we might find that everyone affected by the tax might buy a less expensive car. Thus, only the most expensive cars would experience a decrease in sales. I would emphasize, again, that while these cars may be expensive, they may also be relatively efficient energy burners. Another factor is that the sale of more expensive luxury cars tends to be less sensitive to price changes.

In short, before leaving this discussion of weights I want to note that four kinds of weight measures are used. The weight measure used by Revenue Canada at the moment is the individual weight of the car including factory-installed options as shipped from the plant, plus 25 pounds, as I understand it, for gasoline. The second is the shipping weight of the car, which is the average weight of the model of the car. The third standard is the curb weight, which is the average weight of a model of car equipped with radio, automatic transmission, power-steering and the usual type of equipment on that car. Weights of mid-sized and large, luxury cars include air-conditioning. The fourth standard is the inertia weight of the car, which is the average weight of a model of car, plus 300 pounds to give the effect of a partially-loaded car with two people and some luggage. It is this weight that the EPA uses to determine the fuel economy and emission control standards generally accepted in the industry. If weight is to be used as the basis for an excise tax, it seems that the inertia weight is the easiest to work with and the one that reflects true driving situations.

I have summarized some of our thoughts concerning the provisions of the bill we will be dealing with shortly in committee of the whole. I hope the minister, in his opening remarks, will expand on what he said yesterday. I believe we have advanced an interesting thought in an attempt to ensure greater energy conservation as far as automobiles are concerned. Unfortunately, the government has fallen short in that it has misconceived its approach by putting too high a stress on weight and has not given proper incentive to people to buy the most efficient energy-consuming cars by lowering the sales tax rather than simply proposing that the excise tax be raised on certain other cars.

Mr. Deputy Speaker: Order, please. Perhaps the House will permit me at this time to invite some clarification from the hon. member for York-Simcoe (Mr. Stevens) on the point of order he raised earlier relating to Standing Order 60(11), in which it is said:

> The adoption of any ways and means motion shall be an order to bring in a bill or bills based on the provisions of any such motion.

In his point of order the hon. member spoke of discrepancies between the ways and means motion adopted by the House and Bill C-21 that is before us at this time. While he was making his contribution, I took the opportunity of asking for a copy of the ways and means motion on which this bill was prepared. On looking at the ways and means motion which was presented to the House on October 28, and concurred in on November 3, rather than the one that was presented last session, I find that there is no difference on page 2 between the bill before us and the ways and means motion already adopted.

Perhaps the hon. member would enlighten the Chair by making a specific reference to the page where he suggests there is a difference, unless, of course, the difference has resulted from the fact that he was making a comparison with

the ways and means motion adopted during the previous session, if I recall well, on May 25, 1976.

Mr. Stevens: Mr. Speaker, I believe there is a confusion in respect of the ways and means motions to which you have referred, the original one on May 25 and the subsequent one tabled in this House. The minister, in referring yesterday to his so-called reduction, referred back to the May 25 budget speech and the suggested reductions. In our comparison of the ways and means motion initially brought in on May 25, with the new one, we perhaps misread the second motion in that we felt they were consistent and believed there was still a discrepancy when one compered the bill with that motion. The minister has clarified that and feels there is no discrepancy between the ways and means motion introduced at this session and the bill before us. If he can assure the House that this is so, I will not press the point further.

Mr. Macdonald (Rosedale): Mr. Speaker, I really do not have to give the hon. member that assurance, but I will be glad to do so. If he reads clause 5 of the ways and means motions, he will find the wording is identical. It is difficult to have a discrepancy under those circumstances.

Mr. Deputy Speaker: That being the case, I would indicate to hon. members that there is no point of order.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I have almost to jar myself into reality when I remind myself that we are still debating the budget of last May 25. I realize there has been a lot of water under the bridge, but most of the measures we are now discussing are basically housekeeping measures that should have been taken care of a long time ago.

● (1450)

I cannot understand why it has taken so long to bring these measures forward. Actually, I find some measures in the budget attractive. Measures encouraging us to find ways to preserve our energy resources are commendable. I am also pleased to note the provision in the budget which will allow the handicapped, or at least the parents of handicapped children, to deduct certain expenses from taxable income. I have talked to the minister's parliamentary secretary about that particular measure which has been, I think, the subject of a private member's motion. I was pleased to note that the minister is in agreement with my position on that matter and that there is to be an enlargement of those provisions which will benefit those who must incur the expense of caring for handicapped children. I commend the minister for enlarging those provisions.

The bill before us leads me to observe that most of its provisions are revenue-producing ones and are designed to discourage expenditures; for example, which would increase our consumption of energy. On the other hand, some of the handicapped in this country, unfortunately, must still pay excise tax on certain equipment they use. Not long ago a constituent called me saying that she is forced to use a wheelchair on which the government charges excise tax. Because she needs a wheelchair all the time, she is forced to buy a good one which will not wear out quickly: You must pay more for high-quality wheelchairs, and therefore more excise tax. She feels that she is being penalized for being a cripple.

We have come to a very sorry state in this country if we must raise revenue from the handicapped to fill the government's coffers. Really, such an excise tax becomes a tax on misfortune. Surely we can find other ways of raising government revenues, ways other than imposing tax on the handicapped. We should not look to them to provide this revenue. I know the minister is not interested in collecting money from such people, but this practice has grown up over the years, probably because of an oversight. I give the minister notice of my intention to ask him about this matter when we consider the bill in committee of the whole.

It is anomalous that doctors who treat such patients are allowed to rush to their aid in motor vehicles and to collect a rebate on the ten-cents per gallon excise tax on the gasoline used. Doctors do not supply the government with excise tax revenue in that regard; unfortunately, their patients must pay the excise tax. It seems to me that there is an imbalance in this area which I know the minister will want to correct.

Further to that, I raise the question of how one goes about establishing the legitimacy of a deduction under this heading. Many of these decisions come under the purview or decision-making powers of particular tax officials who must deal with a citizen making a claim for deduction. If the official is experienced, or if he has some insight into the problem, he will look kindly at the request for a deduction. But the handy-dandy guide put out by the Income Tax Department talks about allowances for the blind and people in wheelchairs. I suggest that that is a limited way of looking at it. A strict constructionist in the income tax department would construe that phrase as applying strictly to the blind and people in wheelchairs.

Surely a host of other people suffering from a handicap and who incur extra expenses should be allowed a deduction with regard to the equipment needed for their care. Unfortunately, at present they are subject to the tax. We are asking cripples to establish a case for justifying these deductions. In other words, how far are you to go in asking a cripple to prove that he is a cripple? Any dossier compiled about him is likely to haunt him later in life.

Remember how Senator Eagleson of the United States was haunted later in life because at one time he had taken psychiatric treatment! Surely we need more compassion; we need to give specific instructions to departmental officials to be more compassionate. I am making the case that it is time to inject more heart into our income tax measures as well as into the administration of the Income Tax Act and more heart into the implementation of those measures in order to ameliorate the lot of those unfortunate enough to suffer a handicap. Doctors know who those people are. I suggest that we should not collect revenue in this way from those suffering; we should not impose a tax on misfortune.

Mr. Deputy Speaker: Order, please. If the minister speaks at this time, even if only to answer a question, he will close the debate. We are not in committee of the whole.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Does the House agree that I should now recognize the minister?

Some hon. Members: Agreed.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I thank hon. members of the House for the contributions they have made in the difficult area of the Excise Tax Act, and I shall take the opportunity to respond to the points raised last night by the hon. member for Edmonton West (Mr. Lambert) and also to some of the several points raised today.

If I may deal with the comments of the hon. member for Edmonton West, he made an observation with regard to the minimum federal limits for the collection of excise tax. The same point was made this morning by the hon. member for Okanagan Boundary (Mr. Whittaker) to do with the $3,000 limit. It was suggested that because of inflation and the passage of time, that level should be raised. I think I should emphasize that the purpose of that level primarily is to assist small business. It was based on the calculation on the part of the Department of National Revenue as to the least amount it was worth while collecting in revenue. Having said that, I acknowledge at the same time that if the collection of small sums is hardly worth while for the Department of National Revenue, it is, equally, an imposition for small businessmen, and in that sense I think the comment made by the hon. gentlemen was an important one. This is a matter falling within the administrative duties of my colleague, the Minister of National Revenue (Miss Bégin). I can say to the House that the minister has been giving consideration to the currency or appropriateness of that particular limitation, that this matter is under consideration, and that the minister, when she is in a position to do so, I am sure will be prepared to comment.

The hon. member for Edmonton West referred to extensive correspondence which has flowed between himself, myself and others with regard to a particular kind of insulating panel. In one case, as I recall, the panel was made out of compressed straw. The hon. member made the point that since the panel had insulating qualities, it should be treated as insulating material under the Excise Tax Act and, therefore, tax free. To some degree the hon. member for York-Simcoe (Mr. Stevens) raised the same point when he talked about thermal window panes. Both hon. members in their comments put their finger on the difficult borderline of what is essentially a building material and what is essentially a material used for insulating purposes. The position which has been taken in the law is one that is directed purely to insulation such as bats to be fitted into the walls or ceilings of a house. Obviously, these would be tax free.

• (1500)

Others which have a primary building quality to them, or at least in addition to the quality of insulation—and of course every piece of material has to a degree the quality of insulation—also have a structural quality, would be treated as building materials and therefore taxable. In particular cases there will have to be an administrative determination as to what is primarily insulation and what is primarily structural material. This has been a difficult area to define under the Excise Tax Act.

The hon. member for Waterloo-Cambridge (Mr. Saltsman) raised a number of questions, one on this bill and one in more general terms with respect to correspondence received by the hon. member for Regina Lake Centre (Mr. Benjamin). The first question raised by the hon. member for Waterloo-Cambridge was on automobile air conditioners. If a car with the windows down on a hot day has more drag than if the windows are up, and therefore the air conditioning is on, is it not counter productive in an energy conservation sense? The response that would be furnished by the energy conservation branch of the Department of Energy, Mines and Resources, I believe, would be that the argument might be valid at highway speeds, although even at highway speeds the standard flow-through mechanism would have a cooling effect in the car. At less than highway speeds we do not have the same drag problem, and in that sense it is obviously felt by energy conservers that the air conditioner does not have that much advantage for energy conservation.

With regard to the correspondence between the Canadian Council of Rehabilitation Workshops and the Minister of National Revenue, several basic questions arise. First, one of the principles under the Excise Tax Act has been that a manufacturer, for example a manufacturer in a rehabilitation workshop, can become a licensed manufacturer under the Excise Tax Act and in that sense will be exempt from the payment of sales tax on materials that he uses in manufacturing, but in turn would have to collect sales tax when he sells to a subsequent purchaser. The problem, if I understand it, raised in the correspondence arose in a situation where you have rehabilitation workshops which repair articles of furniture, equipment, or other articles. The position taken with regard to repairing artisans is that in providing a service of that kind they are not generally exempt from excise tax under the statute and they are treated as other people in that they have to pay sales tax.

On the question of the certification of institutions, this is obviously a problem of the practical application of some criteria. I should indicate to the House that the decision in this case is made by the Department of National Health and Welfare which, for the purpose of these exemptions, certifies a particular institution. The issue that was raised was whether, in addition to physical disability as one of the causes of an institution being exempted from tax, that provision should also be extended to institutions which provide assistance or opportunities to those who are socially disadvantaged, such as released inmates of penal institutions, rehabilitated addicts, or

persons recovering from alcoholic addiction. This is obviously a difficult decision, but the Minister of National Health and Welfare (Mr. Lalonde) has to determine, in accordance with criteria, what is appropriate. I would be quite happy if the organization would like to address comments to my colleague on these criteria, and naturally I will accept the minister's judgment on this point.

The hon. member for Vancouver Quadra (Mr. Clarke) gave us an interesting approach to the taxation system. He has put himself out as a long time opponent of the income tax system. Apparently he is also an opponent of the excise tax system. His prescription is that the government should return back to the time prior to the 1914-18 war. I think that a lot of us in some respects would be delighted to have the community as a whole return to that distant era.

Mr. Knowles (Winnipeg North Centre): I would say idyllic.

Mr. Macdonald (Rosedale): I see the hon. member for Winnipeg North Centre (Mr. Knowles) is here, and I think of my own antecedents in Winnipeg, for example. Indeed, in some cases the time prior to 1914 might have been idyllic. On the other hand, social conditions in which many people lived at that time were far from being so.

Mr. Baker (Grenville-Carleton): You will provoke Stanley to a speech.

Mr. Macdonald (Rosedale): Fortunately I am closing the debate.

Mr. Knowles (Winnipeg North Centre): There is still the committee of the whole.

Mr. Macdonald (Rosedale): I would have to say that, much as one might be sympathetic to the vision to the hon. member for Vancouver Quadra about an older and in some sense simpler era, the intervention of the government on the whole has been for human betterment in Canada, so I suppose I would have to disagree with him on that fundamental principle.

Mr. Knowles (Winnipeg North Centre): Things were simpler in the Garden of Eden.

Mr. Macdonald (Rosedale): I would defer to the hon. gentleman's obvious experience in that regard.

Mr. Fairweather: There was no mayonnaise then.

Mr. Macdonald (Rosedale): With regard to the more basic proposition as to whether the sales tax should be abolished altogether and replaced by other taxes in the community, it was estimated in connection with the Carter commission and, I believe, in subsequent discussions, that to replace the current revenue for the government from the sales tax would require something like a 25 per cent increase in personal income tax, or conversely a 65 per cent increase in corporate income tax. In that sense one would have to consider whether this is really desirable. It would become an outward and evident tax, but also become a very heavy one for individuals to bear, particularly those in certain income categories.

One of the advantages of the sales tax is that the person who uses an item and bears the tax in some cases is in a position to pass it on, and to that extent it is related to the use of a foreign article rather than imposing the cost on the community as a whole.

The hon. member for Okanagan Boundary raised the question of solar heat and asked about the tax on wood stoves. I think there is an argument not just for abolition of the tax on wood stoves but also on other kinds of heating devices which might burn vegetable material. I think his observation in this regard is in the form of a representation which I am prepared to discuss with my colleague with regard to the appropriateness of stimulating a greater use of those energy materials in addition to solar heat and wind generated energy.

Finally, before I deal with the extensive presentation of the hon. member for York-Simcoe with regard to automobiles, I wish to deal with the matter raised by the hon. member for Surrey-White Rock (Mr. Friesen) with regard to wheelchairs. I am advised that on wheelchairs as such there is no tax, but there may indeed be a problem of definition. Perhaps the hon. member and I could talk about the particular item to which he was referring because it may well be that it is not classified under this particular area, in which case I would be glad to be given further information and to consider it. On wheelchairs as such I acknowledge the thrust of the hon. gentleman's argument that this is not the kind of assistance to a handicapped person which should be subject to extra taxation.

● (1510)

With regard to the argument about the changes in energy conservation measures, there was indeed a parallel between the thinking of the hon. member for York-Simcoe and that of the government on the use of automobile fuel and the possible changes in the taxation system to try to encourage a more efficient use. I have to go back again to the purpose of the change in midsummer as a result of the May 25 budget. The budget proposals really did have the effect of compelling two of the major manufacturers in Canada to come forward and indicate that they were not on the timetable required to handle the weight tax, that they were not trying to solve the energy conservation problem by reducing weights, but that they had a more efficacious method of doing so, and therefore they thought that they should be left with some room within the next year to try to find some other means. One of the major Canadian manufacturers has indeed gone the lower weight route, and that manufacturer will have had the benefit of the lower tax rate.

Others in the group have not, but they are trying to arrive at the same end by different means, and it was on that basis that it can be said that the May 25 budget was effective in putting the pressure on to encourage a greater effort on the part of the automobile industry to come up with a proposal of alternative means of saving energy in automobile locomotion which the government can accept, and therefore by that means we have

been effective in stimulating the industry to bring about a faster timetable than would have been the case with an alternative proposition. I just emphasize again that there is a quality of probation in these particular changes and, as I indicated to the industry, we will be prepared to hold off for a year. Unless there can be satisfactory evidence that we are indeed moving to a good alternative formula, then the weight tax will be back again in a form like that in which it was initially introduced.

It is not a question of the government not being able to make up its mind. The government has made up its mind on the weight tax. The weight tax has really compelled the other two firms to come to terms with the measures they propose to take in order to reduce energy consumption.

I think that deals with the main principles of many of the points which have been raised, but there may be additional questions, particularly when the officials get down to the floor, so I will close by thanking hon. members for their contribution and by indicating that I am prepared to entertain further questions as we go through the bill clause by clause.

Some hon. Members: Hear, hear!

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

Clauses 1 to 5 inclusive agreed to.

The Assistant Deputy Chairman: Shall clause 6 carry?

Mr. Stevens: Mr. Chairman, you are moving with great haste.

Some hon. Members: Hear, hear!

On clause 6.

Mr. Stevens: Mr. Chairman, at some point in our clause by clause study I would like the minister to give us the benefit of some direct answers on points raised not only by myself but also by some of my colleagues. I would be interested to know what net government revenue the government anticipates might have been raised under its first weight tax proposal on automobiles and what is the estimated revenue under the proposal now before us.

Mr. Macdonald (Rosedale): Mr. Chairman, I hope to be able to get that in just a moment.

Mr. Stevens: While the minister's officials are compiling that, I wonder if they would also give us the figure for what revenue they anticipate from the excise tax on automobile air conditioners, the other revenue figure I referred to, and if they are still looking that up, perhaps I can put a third question to the minister.

Would the minister be good enough to expand on his remarks of yesterday concerning the government's thinking as to what approach it might take to try to ensure that the production of more efficient automobiles will be encouraged as far as the excise tax system is concerned, bearing in mind the various approaches which can be taken, the weight test, efficiency tests, and the miles per gallon type of test?

Mr. Macdonald (Rosedale): On the latter part of the question, there is almost no tax on lighter automobiles, so there is hardly any to take off under the circumstances.

With regard to automobile air conditioners, the estimated revenue is $7 million.

Mr. Stevens: When the minister says that there is practically no tax on lighter automobiles, I wonder if he could explain that more fully. Does he mean that there is no excise tax? To what extent is there a federal tax on what can be regarded as a comparatively low priced, light weight or small vehicle?

Mr. Macdonald (Rosedale): My reference, of course, was to the weight tax. There is a general excise tax of 12 per cent. I think I would have to respond by saying that as opposed to dropping that further with regard to automobiles, if one is to have an excise tax, an automobile is not an unreasonable commodity on which to levy it as opposed to basic clothing or food. That is a reasonable source of tax. The rate is 12 per cent. I think 850,000 units were sold in Canada last year, and that is obviously a significant source of revenue. We have adopted the approach, rather, of imposing the requirement of a further weight tax rather than taking it off.

Mr. Stevens: I would like to explore with the minister the rationale behind that. As I said in my remarks at second reading, it appears to me that it would be much more of an incentive to reduce or eliminate the 12 per cent tax on some types of vehicles which are regarded as being truly energy efficient as opposed to adding a tax at the upper level on cars which are, in the mind of the government, either too heavy, too expensive, or too inefficient as far as energy consumption is concerned. I am not clear why the incentives should not be given to lower the 12 per cent tax as opposed to adding on a tax as contemplated by the government.

• (1520)

Mr. Macdonald (Rosedale): Mr. Chairman, it is the answer I have just given. It has a cost in terms of the lost revenue. It seems reasonable to recover that revenue.

Mr. Stevens: Mr. Chairman, I should like to ask the minister why he indicated yesterday that essentially it was not revenue production they were seeking but energy conservation. Do the two things not go hand in hand? If it is energy conservation they are seeking, surely by lowering the 12 per cent excise tax on the small vehicle they are getting exactly what they want, energy conservation. If it is not revenue production they are looking for, why do they not do this in a meaningful way?

Mr. Macdonald (Rosedale): Mr. Chairman, the hon. gentleman is confusing two things. The comment I made was with regard to the additional taxation that would be raised by the weight tax. In basic terms what I have just referred to in revenue loss is a general excise tax that is available. If we are

successful in our objectives and people move to lighter cars, then there will still be a substantial amount to be collected by the 12 per cent excise tax on automobiles. To put it this way: to remove all or part of that would be to give up a substantial revenue source which would have to be paid in another way. The amount I was referring to was the additional revenue to be gained from that weight tax. If we were successful in bringing everybody down to more efficient cars we would be delighted. The revenue loss involved in the hon. member's suggestion could be substantial, and we feel it would have to be borne by taxpayers in some other way.

Mr. Stevens: Following on the minister's comments, instead of telling us there were, I think, 850,000 cars purchased in Canada, I wonder if he could give us an estimate of what revenue accrues to the federal government as a result of the 12 per cent tax on automobiles. Could he give an estimate of how much actually accrues with respect to automobiles that up until now by their weight standard were regarded as light vehicles?

Mr. Macdonald (Rosedale): Not a detailed figure. One could come up with an approximation but we do not have an actual figure on how the sales tax breaks down between lighter or heavier cars. On the weight tax, I think the estimated tax structure to be achieved would be between $5 million and $10 million. The over-all recovery on all automobiles is something which would require a little preparation.

Mr. Stevens: Mr. Chairman, when the minister says that the weight tax revenue would be somewhere between $5 million and $10 million is he referring to the original May 25 budgetary proposal or the provisions in Bill C-21?

Mr. Macdonald (Rosedale): That is the increase. The actual revenue now is $15 million.

Mr. Kempling: Mr. Chairman, I should like to ask the minister for some clarification in regard to air conditioners. A constituent of mine is an importer of air conditioners for automobiles, trucks, and industrial equipment. He has had a great deal of trouble with the department about the excise tax. It was my clear understanding that the tax on air conditioners does not apply to motor vehicles over 16,000 pounds gross weight—to hearses, ambulances, and vehicles over 12 passenger carrying capacity, off-highway vehicles, and agricultural equipment. Would the minister confirm that air conditioners installed in those vehicles do not require payment of the $100 excise tax?

Mr. Macdonald (Rosedale): Yes, Mr. Chairman.

Mr. Kempling: Mr. Chairman, this constituent informs me that the department says because he does not hold a sales tax licence he has to pay this tax upon importation of the product. Mack Truck, International Harvester, and the Ford Motor Company import the same item from the same company and they do not pay tax. In other words, they tell him that the importer is the end user and therefore must pay the tax. I wonder if the minister could clarify that.

[Mr. Macdonald (Rosedale).]

Mr. Macdonald (Rosedale): As I understand the situation, Mr. Chairman, if he were a licensed dealer he would be exempt from payment of the tax. Where he is an unlicensed dealer, or a licensed manufacturer not having an excise tax licence, if he sells a vehicle without an air conditioner, under exempt conditions he may then claim a refund of the excise tax which he has paid.

Mr. Kempling: That is pretty cumbersome. This man is a national distributor of air conditioning units and has dealers all across the country. He brings these in for heavy duty trucks and for agricultural and off-highway vehicles and so on, by the trailer load. It seems to me one of these air conditioners could not be installed on an automobile without putting a big evaporator on the roof. This man has a tremendous amount of money tied up. He distributes across the country, he has to charge his area dealer and then the dealer has to get a certificate from the end user, and the process works all the way back. That could take months. Surely it should be evident to anyone that an air conditioner the size we are talking about could not be used on an automobile. The drive mechanism would not even suit an automobile engine. This seems to me a cumbersome way to go about it, and it ties up funds unnecessarily. Could the minister suggest a solution?

Mr. Macdonald (Rosedale): Mr. Chairman, I want to ask myself why this man has not applied for a licence to become a licensed dealer. If his business is so considerable, one would have thought this the logical step. Of course I cannot comment on the situation, but that seems the obvious route for him.

Mr. Kempling: The difficulty is that he has not been able to get clarification on this from people in the Department of Revenue at Hamilton. Right now I believe he has several thousands of dollars tied up in it. He told me that they were even threatening him on the telephone with going back on some shipments he had received previously and charging back taxes. Does he have to do a certain percentage of his business at the wholesale level in order to get a licence?

Mr. Macdonald (Rosedale): Fifty per cent.

Mr. Kempling: If it is less than 50 per cent, what does he do?

Mr. Macdonald (Rosedale): He is not then eligible for a wholesaler's licence.

Mr. Kempling: Holy mackerel! If he does $10 million worth of business but does not do $5 million of it wholesale, he would still have to go this route? That is about the volume he is doing, I believe. He would have to pay all the excise tax and probably seven, eight or ten months later get his funds back. Surely to goodness there is another way than that to identify it.

● (1530)

Mr. Macdonald (Rosedale): Just to correct the hon. member, Mr. Chairman, the average refund is within 30 days.

Mr. Kempling: Just to correct the minister, I will lay him what I have in my pocket against what he has in his that it is not 30 days. I will bring a lot of people who will show it is not 30 days. I know personally.

Mr. Macdonald (Rosedale): The hon. member is very confident, Mr. Chairman, but I intend to rely on National Revenue.

Mr. Kempling: How much do you have in your pocket?

Mr. Clarke: Mr. Chairman, I want to follow up the line of questioning that my colleague from York-Simcoe was taking. That is in connection with the energy saving versus the revenue producing aspects of the tax on the excess weight of cars. Perhaps I can start by asking the minister if the government has considered that lighter cars might last a shorter period of time? Although they burn less gasoline, they might in the end use more energy because of the energy and other resources used in the production of the larger number of lighter cars that would obviously be required.

Mr. Macdonald (Rosedale): I am sorry, Mr. Chairman, I was in conversation with my official. Will the hon. member repeat the last sentence?

Mr. Clarke: I am not sure if I can remember the last sentence, Mr. Chairman. I think the last part was that a greater use of energy and resources would be required to produce a larger number of lighter cars that might be required, as the heavier car would last a longer time, even though it would burn more gas during that period of time.

Mr. Macdonald (Rosedale): Mr. Chairman, 1,000 pounds, for example, would save about 15 per cent of the energy need to make a car and its components. It seems to me there is not a substantial difference indicated in the hon. member's objection. Perhaps I do not follow his reasoning very well.

Mr. Clarke: I will look at the revenue side first then, Mr. Chairman. If the object of this tax is to raise more revenue rather than to conserve energy, it will probably do that in that more lighter cars will likely have to be produced and sold and, therefore, a greater tax incidence would have to occur than if heavier cars were produced which would be longer lasting. That would indicate there would be a desired effect if revenue is the desired result.

If we want to save energy, the minister's point is that a heavier car would burn more gasoline. I conceded that when making my remarks on second reading. However, I ask whether the government has done any studies to indicate the relative position of the extra energy used by a heavier car compared to the extra energy and resources that would be needed to produce the larger number of lighter cars which, presumably, do not last as long as heavier cars?

Mr. Macdonald (Rosedale): Is that true?

Mr. Clarke: The comparison would be interesting. Since the government has the facilities, I wonder whether a study such as that has been made.

Mr. Macdonald (Rosedale): Just to make it clear, Mr. Chairman, when we are talking about revenue not being the objective we are talking about the weight tax. The obvious objective is to get down the weight of automobiles. Just to be clear, the obvious goal in revenue terms is zero. Of course there is a general sales tax beneath that on all automobiles. I would require to be convinced that the hon. member's basic proposition is accurate. I am not sure that heavy means long life, particularly in eastern Canada where, among other things, salt is a serious fact of life.

Mr. Clarke: I am not sure of that either. That is why I asked the question whether the government had done any research in that vein. I will presume it has not.

I would like now to ask about a slightly different topic, the tax on air conditioners. Why did the government find it necessary, when the minister announced on May 25 the $100 tax on air conditioning systems for automobiles, to make that retroactive? In other words, why wasn't the sanctity of a contract that had been entered into a month or more before May 25 respected, and those people allowed to have the transaction completed without the interference of the government?

Mr. Macdonald (Rosedale): Mr. Chairman, it has been the general practice that, where a change of this kind has occurred, it should be effective as of budget night. One can think of a range of possible options sooner or later from the date of budget night, but the final conclusion, from experience over time, is that from an administrative standpoint and probably fairness standpoint this is the most reasonable way to handle it. One of the difficulties, of course, is that it would give a distinct advantage to those manufacturers who have a substantial inventory on hand as of budget night, for example.

Mr. Clarke: That explanation may be all right for those who were contemplating a purchase, but for those who had purchased in good faith under an existing contract there is nothing in budget history to imply that existing contracts should not be honoured. However, the minister has given me an answer, and I thank him for that.

It is my understanding that the minister in his closing remarks on second reading made some reference to my earlier remarks which he did not seem to understand. They concerned the imposition of a sales tax and the personal income tax.

I am not sure where I saw the term used, but in the minister's budget remarks he referred to the sales or consumption tax. I cannot find that at the moment. If it were necessary, I am sure I could dig it up. In any event the reference was made to a consumption or sales tax, implying that the government sees them as being the same.

The purpose of my remarks is not to say that all taxes are bad. I am simply remarking that the government seems to have a great inconsistency in that it uses this kind of a hidden tax, the personal income tax, and many other kinds of taxes. However, each kind of tax comes from the same taxpayer. Each kind of tax requires a substantial bureaucracy here in

Ottawa to enforce and collect it. Each kind of tax requires a similar bureaucracy in the private sector. In fact every business is required to make the calculation, whether it be a corporate income tax, personal income tax of the individual proprietors, or sales tax returns for the excise tax. All of these taxes go on and on.

The thrust of my remarks was that the government should spend more time exploring ways to ease the burden on the taxpayer so that he is better able to judge where he is being taxed, where the burden of tax lies in his daily life, and to simplify the burden from the point of view of reducing the bureaucracy required on the part of the government, and thereby reducing the size of the bureaucracy that is required in business.

● (1540)

The government seems to forget, in all its dealings in the various tax fields, that there is ultimately only one source of tax revenue, and that is the ordinary taxpayer. The taxpayer deserves far more consideration from this government than he is getting. I am thinking of the proliferation of the demands made upon him and the disregard shown for the individual, whether he be a labourer, a salaried person or a businessman. That was the essence of my criticism of the tax systems. It is not that I criticize them *per se*. Of course the government needs its revenue. But in my view the government ought to give greater consideration to the source of this revenue, to the nature of its revenue base.

Mr. Stevens: Perhaps I could return to the line of questioning I was putting to the minister. It turned on the amount of revenue the government expects to get from the new taxes which are before us. As I understand it, the minister told us there would be some $7 million on account of the tax on air conditioners, and between $5 million and $10 million on account of the automobile weight tax. This represents a combined increase of some $12 million to $17 million flowing into the treasury.

Bearing in mind the minister's candid statement that the purpose of the new tax was not to raise revenue but rather to encourage Canadians to demand, and the auto industry to produce, lighter and more energy efficient cars, my question is this: why would the minister not consider, in addition to imposing this new tax, reducing taxation on lighter cars by a like amount? He tells us he expects to get between $5 million and $10 million in extra taxes. Would he not think it appropriate to lower taxes on the lighter cars, presumably on the more energy-efficient cars to which he referred, by a comparable amount?

Mr. Macdonald (Rosedale): As I indicated earlier, a basic amount flows into revenues from existing automobile taxation. I suppose there might be a marginal rate change but I am not certain that this would be practical from an administrative standpoint. We have to recognize with regard to the excise tax generally that automobiles are a source of revenue, and we expect they will continue to be so.

[Mr. Clarke.]

Mr. Stevens: Would the minister at least go thus far: would he, between now and the next budget, give consideration to lowering the tax on the more efficient cars within the parameters of the revenue to which reference has been made?

Mr. Macdonald (Rosedale): Some of the conservationists might take exception to that and argue that by making a further tax cut I would be encouraging the acquisition of cars, but I will look into that suggestion.

Mr. Stevens: I am pleased to get that assurance from the hon. gentleman. If he is belaboured by the conservationists I hope he will remind them that the light, energy efficient car to which I am referring is very greatly needed by most Canadians for commuting to work and for other necessary aspects of their livelihood. In short, it is an essential in spite of what some conservationists might attempt to tell the minister.

Clause agreed to.

On clause 7.

Mr. Stevens: Clause 7 includes the energy conservation equipment item. Can the minister tell us whether any studies have been carried out to show how practical are some of these energy conservation devices to which the clause refers? We know, for example, about the possibilities of solar energy generation, wind generators and so on. Surely the department, or a related agency, must have carried out studies as to how practical it is to encourage people to go in for these alternative ways of heating. If so, what has been the result of such a study?

Mr. Macdonald (Rosedale): There have obviously been a variety of advances in this field. The insulation materials are all of longstanding application and the effectiveness of the existing materials has been well proven. Heat pumps, for example, do not represent a particularly esoteric technology. On the other hand, there is a rapidly expanding field of technology related to the use of solar energy. The wind generator has been known for a long time, of course, even if really effective means of exploiting that source of power has not been discovered. But to the extent that there is new technology involved here, or the improvement of existing technology, the goal is to encourage the development of better and more efficient devices, and we think it worth while to pursue this course.

The basic question the hon. member raises is, of course, an important one. There are long steps yet to be taken in technology, and this is why we are bound to move cautiously when conservationists tell us that we should not be using fossil or nuclear fuels. We think more favourable tax terms would assist in the technological development which is necessary.

Mr. Stevens: I do not think anyone would disagree with the minister when he says people who go in for these less conventional energy sources should be encouraged. I was wondering, though, whether he is giving any consideration to dealing with one of the basic problems, that is, energy storage. Has he, for instance, made any overtures to the power companies in the

various provinces to see whether they would agree to buy power which might be generated by the wind or by solar rays? As I understand it, one direct approach would be an arrangement under which power generated by a wind generator could be fed into the system of a power company and drawn back as needed over subsequent days or months. This would be a very practical approach if it could be worked out. At the present time expensive storage battery facilities are required whenever privately generated power needs to be held for future consumption.

Mr. Macdonald (Rosedale): I would be glad to pass on the hon. member's comments to my colleague, the Minister of Energy, Mines and Resources. In preparing the tax bill the department did not have that kind of conservation in mind. It is an interesting thought.

Mr. Douglas (Bruce-Grey): I have one question for the minister. It arises from clause 7. Reference is made, on page eight, to thermal insulation materials designed exclusively for insulation purposes, storm doors and storm windows for buildings. Would thermopane used in construction or reconstruction fall into that category, or could you make it fall into that category?

Mr. Macdonald (Rosedale): I am advised it does fall into that category.

Clause agreed to.

Clause 8 agreed to.

Title agreed to.

Bill reported.

● (1550)

The Acting Speaker (Mr. Ethier): When shall the bill be read the third time?

Mr. Macdonald (Rosedale): By leave, now.

The Acting Speaker (Mr. Ethier): Is leave granted?

Some hon. Members: Agreed.

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

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Ethier): Order No. 12, the hon. member for Simcoe North (Mr. Rynard). Shall the order stand at the request of the government?

Some hon. Members: Stand.

Lobbying

The Acting Speaker (Mr. Ethier): Order No. 13, the hon. member for Kingston and the Islands (Miss MacDonald). Shall the order stand at the request of the government?

Some hon. Members: Stand.

* * *

LOBBY REGISTRATION ACT

MEASURE TO GOVERN LOBBYISTS

Mr. Walter Baker (Grenville-Carleton) moved that Bill C-214, to register lobbyists, be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, lobbying has not been a subject of great concern to Canadians, in contrast to the attention given to it by legislatures, journalists, and political scientists in the United States. Because of the profound differences between our systems of government, I doubt that Canadian lobbyists will ever achieve the important and sometimes controversial status that they now have there. Nevertheless, the direction in which our parliamentary system should be evolving—toward a more open government with a more influential House of Commons—leads me to believe that we should begin now to establish a framework for the operation of lobbyists before any serious problems develop.

First, Mr. Speaker, what is a lobbyist? I think of a lobbyist as someone who seeks, by means of contact with persons of power or influence, to have a significant effect on executive or legislative actions to be taken by the government of Canada. Lobbyists may act directly for themselves, or on behalf of organizations which hire professionals to make their case. Lobbyists are, in short, special interest and pressure group publicists or their representatives.

Lobbying has had, especially in the United States, a pejorative connotation—and I think that is rather unfortunate—but it is an important and absolutely necessary part of democratic government. Lobbyists are able to provide legislators with feedback on the actual operation of government programs in the field. There is, as we all know, many a slip between bureaucratic theory, on the one hand, and field experience, on the other hand. The sooner governments and all of us find out about that, the better our programs might be understood.

Lobbyists also provide background information of a more general nature about action that is under consideration. We are all used to dealing with "pressure" from associations which are to be affected by legislation, but in fact much of this pressure is informed argument which is sometimes difficult to refute. It is also preferable on many occasions to deal with a carefully prepared presentation by a spokesman for a scattered interest group rather than to deal with the unorganized and incomplete ideas of a large number of individuals. Finally, I put it to you, Sir, that lobbyists are useful when we want to try out ideas, as we soon find out if they have any merit or whether those ideas are simply naive. All these functions

performed by lobbyists are indispensable to the reflective as well as the responsive politician.

Naturally, pressure can take illegitimate and illegal forms and have unfortunate consequences, and these dangers bring me to suggest registration of lobbyists. There is, of course, the possibility of bribery, blackmail or other questionable practices. It is the hope that contacts, which must be made with the knowledge of anyone who cares to examine a register, would be less likely to have a shady dimension. There is an even greater danger that if pressure is carried on secretively or unobstrusively, all sides of a debate will not be heard and legitimate points of view or bodies of information will be excluded until a stage in the debate when decisions have been irrevocably taken. At the present time, Mr. Speaker, that seems to be when a bill has been introduced in the House of Commons.

Or there may simply be a suspicion that pressure behind the scenes is by that very fact illegitimate pressure, and the resulting policies might not obtain the support they merit because people feel that certain groups or types of groups have had an unhealthy impact. Then there is the other side of the coin. If we have that knowledge and know that all arguments have been equally heard, I think there would be a tendency for there to be a reconciliation of the diversity of groups which are affected by decisions that might be taken.

In short, the purpose of the bill is to ensure that lobbying, as much as possible, is conducted in the open so that people can see who is trying to influence what, and if necessary respond. Where lobbying is done with the knowledge of everyone concerned, there is a better chance that it will be done openly and that improper practices will have a smaller chance of survival or success. The process of decision making should become more educational and the results more acceptable.

My bill would take the first step toward publicizing lobbying activities in Canada, though I have to say at the outset, Mr. Speaker, that it is a small step indeed. It defines lobbying, to paraphrase, as the actions of any person or any group attempting to influence the course of either legislative or executive action. It establishes a register of lobbyists to be administered jointly by the Clerks of the two Chambers. Lobbyists must set down their names, the person or group on whose behalf they are acting, and the duration of any contact. This information must be supplied before any contacts are made, supplemented with any new information applicable and submitted afresh at the beginning of every year. I have included penalties for non-compliance of up to $5,000 per month and prohibition from lobbying for two years, to show that the register which is set forth in the bill is intended to be taken seriously.

I would not deny that this is little more than a beginning which leaves a good many questions unanswered, and many of these questions have been suggested by people writing to me from all across the country about the bill. A bill discussed in the United States House of Representatives on this subject last year ran to 39 pages, and this matter is already the subject of extensive legislation there.

[Mr. Baker (Grenville-Carleton).]

If I might indicate some of the unanswered questions, I put them as examples and there are probably more. Do we want to monitor the type of lobbying activity as well as the existence of the activity? How do we classify officials of companies or organizations who come to Ottawa only briefly to meet officials or legislators? Does it matter who instigates discussions between lobbyists and officials? Should we consider contact with a minister's or member's staff as lobbying? When does assistance to our constituents become activity on behalf of, or in response to, a lobbyist?

The intention is that those whose principal function is to lobby on behalf of others be regulated, not those whose occupation is administrative or whatever, but who occasionally must defend their interest by contact with politicians or officials. This is not an easy distinction to make, and I would welcome the views of others on the proper bounds for restrictions, and would like to see serious consideration by a committee of this House of the whole question.

• (1600)

The question that will occur to many members may be, why should it be necessary to contemplate action when we have survived without it for over a century? As I suggested earlier, I believe we are moving in a number of ways, or at least we should be moving, toward more open government. This will create both opportunities and dangers. To date lobbyists have dealt principally through public service channels, and in theory at least these contacts have a minimum of danger because the interests and motivations of those concerned are clearly defined and established within an administrative framework. If legislators become more prominent in policy formation, I believe lobbying activity will increase and should be open, because in the political process motivations and interests are not so easily defined or traced.

I believe that the role of legislators will change for a variety of reasons. First, it appears to me that people have become increasingly demanding of their members of parliament, and they will perhaps become more demanding after they watch us on TV. They will, I believe, expect us to be more critical and more creative. I think too that members are increasingly equipped to meet this challenge and are intent on doing so.

Secondly, I believe that within the next few years, and it is my hope, we will have a freedom of information bill which will enable members of this Chamber to participate in the discussion of policy options prepared by the public service. Perhaps we will need a change of government before that degree of open policy debate is obtained, but it is coming, and the increased insight and opportunities we will have will invite contacts from those who now restrict themselves to permanent officials.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): Do not be too subjective, I would suggest to hon. members.

Thirdly, and particularly if this party transfers to the other side of the Chamber, which would seem likely, our committees

will be given the power and the staff to undertake investigative and creative functions on behalf of the House. Again, as the number of participants in the debate on national priorities increases, the presence of lobbyists will become more pervasive. I hope too that we can make private members' hour more conclusive and, if we do, the lobbyists will be after us to champion their views, or oppose someone else's.

Fourth, to be realistic about the results of any change in government which may take place there would be more pressure group activity, particularly because many policies which are non unchallengeable as part of the dominant mythology would be subject to review and debate on any policy, and any policy shift invites lobby contacts.

Finally, I hope lobbying is conducted more openly in the future because of a trend in respect of pressure groups which has already developed in our society. Some hon. members may have seen the text of a speech delivered June 6 by the hon. member for Halifax (Mr. Stanfield), the former leader of our party. He said at that time:

> We are becoming a society of well-organized groups representing a particular interest or point of view. The number of groups organized to put on pressure have become legion. This is increasing the tension and distrust in our society; and it is increasing the difficulty of reaching a consensus as a basis for government in a country where consensus has always been difficult to achieve anyway. People not only see their own particular interest but have an organization to promote it. This has already led to a lot of governmental floundering and could well make government initiatives very difficult to take; and further increase the sense of frustration among citizens.
>
> These special interest organizations are more attractive to join and support than political parties because political parties are not designed to serve (although they sometimes do) particular interests. To get elected they have to appear at least to be serving the interest of the country generally, rather than some particular interest or cause. So to a growing number of Canadians, political parties seem to be less attractive in serving their cause then does that particular organization designed specifically to serve their cause.

He concluded in this way:

> This is leading to a hardening and strengthening of the pushing of particular interests and attitudes which emphasize division and conflict and a weakening of the only institutions we had which encouraged some regard for the common welfare and some recognition of the other fellow's point of view, especially national political parties.

It is a rather wise statement about what is happening in our society today.

Let me conclude by saying I hope the registration of all lobbying groups or individuals will illustrate to Canadians the intricacies of group accommodation and the need to pursue a consensus which is unlikely to fulfil all the aspirations of any particular group. I hope openness will encourage realistic expectations among our electors as well as continued aboveboard dealing between pressure groups and administrators and politicians.

Lobbyists also provide background information of a more general nature about action that is under consideration. We are used to dealing with pressure from associations, associations which are affected by legislation. I think that in the course of our dealings with this pressure the hon. member for Halifax spoke of, with the development of associations and groups within society, each of us as members of parliament feel there must be some response. When that activity, which we regard as legitimate in the course of interaction which must occur between the private and public sectors, reaches the proportions it has, then there is nothing wrong and nothing inhibiting in having those who would engage legitimately in that activity register their interests and their extent, and to keep that registration fresh with the Clerks of both Houses of this parliament.

It is in that spirit, a spirit that I hope this House will agree is in accordance with a movement toward openness in government, which at least from our point and I hope from the other side will be coming, that I ask this House to consider this bill. I ask the House to send it to committee at least for study. I said during the course of my speech that I did not regard it as the last word, by any means, but this is the first word in respect of a problem and concern of many people.

A jurist once said that not only must things be correct and proper, they must appear to be correct and proper. I think this bill will go a long way to helping not only the substance but the appearance of the substance in regard to a legitimate public activity.

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, I welcome this opportunity to speak on the bill presented by the hon. member for Grenville-Carleton (Mr. Baker). The subject of registering lobbyists is something that has long interested me. I am certain the hon. member will appreciate that I too have a bill on lobbying, Bill C-248, but it looks as though, according to the pecking order in getting bills before the House, that the hon. member is much more successful than I.

● (1610)

The explanatory note to my bill reads:

> The purpose of this bill is to require the identification of lobbyists, persons who, in the interest of others, seek to influence Senators or Members of the House of Commons to vote or use influence for, or against, a matter which may come before parliament. Nothing in the bill restricts lobbying, paid or otherwise, or in any way interferes with the right of the public to make representations to Members of the Senate and of the House of Commons. Similar legislation in effect in the United States requires that lobbyists register with the Clerk of the Legislature and secure an identification card from the said Clerk.

I note that the explanatory note to the hon. member's bill reads:

> This bill provides for the registration of lobbyists, and a declaration by them stating in whose interest they are working. It imposes a fine and disqualification from lobbying for those convicted of evading these provisions.

The two bills have much in common. I am sure hon. members appreciate that bills to do with lobbying have been dealt with by other jurisdictions, but that this subject has not been seriously dealt with in this country.

I presume the intention of this bill is to make the public aware and provide for public scrutiny of the individuals and organizations that hope to influence government policy and legislation. This would also allow the civil service, with whom many lobbyists deal, to know whom they were really talking to and why.

This proposal certainly has its merits. Lobbying can be defined as the deliberate organization and application of effort to influence public policy, generally for the benefit of some specific person or group. Consequently if this bill came into force, any person or persons attempting to affect some legislative change, extract some favour or influence policy, could be identified through public disclosure. This would also allow the public to gauge lobbyists, success by the subsequent rejection or acceptance of their proposals by the government.

However, the basis of this bill seems to be founded on the premise that interest groups and the government and civil service are in adversary roles. I am not at all convinced that this is the case. In a recent study concerning pressure groups and government, David Kwavnick discovered that there are many benefits to be had from the co-operation of interest groups and government officials. Certainly it is apparent that cabinet members frequently request information from organizations that fall under their jurisdictions. The meetings between the Minister of Labour (Mr. Munro) and the President of the Canadian Labour Congress are one such example. I think it is fair to say that Canadian politicians are willing to consult with specific interest groups. I might also add that this could be extended to the civil service. As Kwavnick points out, "the popular notion of government officials having continually to fend-off badgering, bullying, and bribing lobbyists is a long way from the truth."

Robert Presthus has said, regarding lobbyists, that the rise to prominence of standing committees has "made interest group directors more aware of members of parliament." However, Mr. Presthus contends, with some justification, that this awareness is diluted by lobbyists concern with cabinet members and senior civil servants. A statistical survey shows that only 15 per cent of lobbyists focussed their attention on members of Parliament, while 40 per cent concentrated on cabinet ministers and 26 per cent on the public service. Clearly backbenchers have low priority. Conversely, of federal and provincial members of parliament questioned, only 18 per cent placed any importance on lobbyists as representatives of community interest.

It is to this point, civil service interaction with lobbyists, that I would like to address my comments. According to Walter Lee, who could be described as the lobbyists' lobbyist, "policy is nearly always made by the civil service." Mr. Lee goes on to say that the only effective way to influence proposed legislation is to "anticipate it well in advance." He also contends that a lobbyist working through carefully selected contacts in the civil service can make his case.

The Toronto *Star*, of June 21, 1975, reported that business and industry are almost eager to help with and perhaps influence the planning and policies of the civil service. The *Star* goes on to say that it is with this sub-cabinet group that lobbyists have their greatest influence. Certainly a substantial percentage of lobbyists agree, according to Robert Presthus. Mr. Speaker, I might also point out that various organizations campaign for a president or chairman who is familiar with government routine and is known in government circles—for example, the case of Mr. Simon Reisman, ex-deputy minister of finance who has become a "consultant".

As we all know, many large associations and organizations have taken offices in Ottawa for the express purpose of lobbying. The biggest of these, the Canadian Manufacturers Association, the Canadian Labour Congress, and the Canadian Federation of Agriculture, present briefs and publicize their views before each federal budget. They also maintain year-round contacts with civil servants who may be working on legislation that effects them.

The survival of any organization that claims to represent its members effectively depends on its ability to persuade the power holders to recognize them as a legitimate bargaining agent. Interest groups have developed links with the existing political and social structure to ensure the protection of their interests and also to keep open direct lines to the government.

It is my contention that it is well and good to demand that lobbyists register. It would act as a point of clarification. However, what effect would it have on the civil service?

A fairly substantial school of opinion suggests that a great deal of lobbying is concentrated on senior civil servants. Would a member of an interest group have to register if he were to talk with a government official? What about the non-lobbying co-operation that now exists between such departments as Supply and Services and private enterprise? When a pencil supplier places a bid with Supply and Services would he have to register as a lobbyist? After all, any initiative he might show in encouraging Supply and Services to award him the contract could be interpreted as lobbying.

I received a letter from the executive director of the Canadian Trucking Association with regard to this particular issue. The letter, dated November 7, 1974, was addressed to me, signed by A. K. Maclaren as executive director, and originated, according to the letterhead, apparently from 130 Albert Street, Suite 300, Ottawa. He allowed that to alleviate some concerns and to satisfy curiosity it might not be a bad idea to require people who wished to make representations to government to register. However, he also supposed that 95 per cent of all representations were made off Parliament Hill. He questioned the efficacy of restricting lobbying controls only to Parliament Hill, and wondered if a chat between a constituent and his member of parliament that touched on some current legislative matter could be construed as lobbying.

In conclusion, Mr. Speaker, I think that my hon. colleague has brought an important issue to our attention. Certainly the public has the right to know who is working behind the scenes, for whom he may be working, why he is doing so and, perhaps most important, for how much. In many cases members of this House would benefit from this information as well as the people of Canada. Free and easy access to this type of information would also mean that any questionable activity would quickly come to light, and consequently it is likely it would cease.

Despite the fine efforts of the hon. member to control and publicize this practice, I must state that there are many

questions that remain untouched. How will registering affect the interaction of civil servants and lobbyists? And how could this interaction be monitored, if it were theoretically controlled? I might add, Mr. Speaker, that while I have used the term "civil servant" freely here today, I appreciate that not all officials are subject to lobbyist pressure, and I have not intended to impugn the characters of our civil servants in any way.

I must commend the hon. member for Grenville-Carleton, but I must also call for further study of this complicated and complex issue.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member who has just taken his seat, I should like to see this bill or its subject matter referred to a committee, so that this whole question can be aired and studied in depth. I believe that one way to present the idea I want to place before the House is to tell a story about something which happened in this place so long ago that only one other member of this House was here at the time, and he is enjoying the sun in the Caribbean. Therefore I am not talking about anybody who is here today.

● (1620)

There was a certain government bill which had been presented and which I happened to favour, but which drew the opposition of the life insurance companies of this country. The bill got second reading—after all the government had a good majority and it saw to it that the bill was given second reading—and went to a standing committee. By the time the bill got to that committee we found ourselves faced with a powerful lobby from the insurance companies of Canada. They saw all of us who were members of the committee in our offices, and they made representations to the committee.

My memory of the experience is that of one of the most vigorous lobbies I have known. We had a tough time in the committee. After all, the pressure had been put on, and for a while it looked as if the government bill might actually be defeated in the standing committee. There were two or three members on the government side who had not been attending the committee who were rounded up by a Liberal who had some progressive ideas, and when the vote came, we won. The bill passed in the committee; we defeated the lobby.

The session went on but the bill was never called for third reading. I went to one of my friends in the Liberal cabinet of that day and asked him, "What happened? We defeated the lobby, we passed the bill. How come it has not been brought back for third reading?" He said, "Stanley, you must realize that one of those insurance fellows, one of the men at the top, got to the right cabinet minister". It was not even the minister in whose name the bill was before us but the "right cabinet minister", and that ended that.

If the point of that story is not obvious, I suppose I can spell it out. The lobbying that is effective, or that counts around this place, is not the lobbying of individual members of the House of Commons but the lobbying of the government itself, the lobbying of cabinet ministers.

I agree with the hon. member for Toronto-Lakeshore (Mr. Robinson) that this matter should be studied. I join him in congratulating the hon. member for Grenville-Carleton (Mr. Baker) for bringing it before us.

I note that in his opening remarks the sponsor made a point which occurred to me, namely, that our situation is quite different from the situation in Washington. There the effects of lobbying on individual Congressmen can have much greater results than the lobbying of individuals here because they have more control of the purse strings than we do. Therefore I say that this question of registering lobbyists may not have as important a bearing here as it has in Washington. It may not be the most important cog in the regime that my friend would like to see established.

I see this as a piece of legislation that goes along with legislation respecting the freedom of information and legislation respecting conflict of interest, and I say to my friend, and perhaps he would even agree with me, that those other two things are more important than the registration of lobbyists.

Reference has just been made to the Canadian Labour Congress, the Canadian Manufacturers' Association, the Public Service Alliance of Canada, the Canadian Federation of Agriculture, and so on. They all have permanent offices here, and the persons who are officers of those bodies, or who are employed by them, lobby. Are they lobbyists within the meaning of this bill? They would say they are not paid for lobbying, they are paid to do the work of their organizations. But, like my friend who has just spoken, I see nothing wrong with those organizations, particularly the ones I named, because they are out in the open making their case.

What concerns me is the kind of lobbying that goes on in ministers' offices behind closed doors. I think that, important as it is to deal with this question of lobbying, completely open government—to use my friend's phrase—is necessary, and in order to achieve that we must have freedom of information which goes all the way—and I do not see any sign of it yet—and we must also have a clearer position with respect to conflict of interest. We have to know what are the financial interests of cabinet ministers, senators, members of parliament, and senior public servants, and if we had better legislation in those areas we would move closer to an open kind of government and the honest decisions that my friend wants.

I hope that the hon. member for Grenville-Carleton does not feel that I am damning his bill with faint praise. I think it is an important subject which should be thoroughly studied, but what I am most grateful for is the opportunity we are given to insist on the importance of these other things as well, namely, freedom of information and clear legislation with respect to conflict of interest. Having said these things, and having given them what I think is their relative importance, I would like to see either this bill or its subject matter referred to a committee so that this important issue can be thoroughly studied.

Lobbying

Mrs. Simma Holt (Vancouver Kingsway): Mr. Speaker, I would like to congratulate the hon. member for Grenville-Carleton (Mr. Baker) on his very important bill and his impressive arguments. Personally I think it is a most interesting bill, but I wonder if it is possible ever to get consensus on what is a lobbyist. As the hon. member for Toronto-Lakeshore (Mr. Robinson) asked, are these various organizations from labour and manufacturers' associations, to the million people espousing the right to live, lobbyists? And should they all be registered? I am indeed extremely ambivalent about lobbyists because I believe that some are sincere and concerned and do not even require registration, while those who are paid lobbyists often are not sincere in what they are doing; they simply want to make their money and run to the next assignment.

I would have many questions to ask if this bill went to committee. I believe that good private members' bills should not be talked out, yet here I am talking about this bill and I have some important things I want to say with regard to the reference of the hon. member for Toronto-Lakeshore to the public service. I am sure that the hon. member for Winnipeg North Centre (Mr. Knowles) has seen, in his long experience, the virtues and dangers of lobbyists in our society. It is said that pressure groups are essential to good government. I fear, however, the pressure point that is most often used is key senior people in the public service—a point illustrated by the hon. member for Toronto-Lakeshore when he said that 26 per cent of the lobbying is on the public service. I suspect that the figure is much higher, and that is why I did want to speak on this subject today. I believe that the most dangerous pressure of special interest groups may be on senior public servants who themselves want to run this country. We have ample evidence of this in my area certainly.

It is with great fear that I see what is happening to this country. There are senior public servants who resent interference from the elected representatives. At times I feel that possibly a few senior key civil servants may well be in collusion with the lobbyists. They are certainly out to control the country through their own offices. They want the elected representatives to take the blame, the flak. They do not want to take the responsibility for actions in the public arena. We are taking the blame for many things that are created by key civil servants who, I am sure, have been influenced by back room lobbying. We will not ever get those people to register.

• (1630)

I think of Bill C-58. We saw *Reader's Digest* out in the open, but we did not see that great multinational corporation which is now producing an American edition of *Maclean's*. However, we know its influence was in the back rooms of senior civil servants, and as a result a terrible bill was imposed on the Canadian people. I know some of my colleagues disagree, but all that bill achieved was exactly what Maclean-Hunter intended. *Time* was driven out of Canada and is now making more money outside Canada from Canadians—three times more, I am told—than the largest amount it made in its 30 previous years inside Canada. These are the kinds of lobbyists we will not ever get to register. They are in the back rooms.

[Mr. Knowles (Winnipeg North Centre).]

Yes, it is the government now in power which will take the flack for what the lobbyists like Maclean-Hunter did in the back rooms. It will always be the government in power that takes the blame. These key public service people—malcontents, power seekers, people open to inducements, will manipulate cabinet ministers, of whatever party, because they know what they are doing, and they do not have any responsibility to the public. They do what they do without being identified; they do it anonymously; and their mouthpiece becomes the cabinet minister. To me this is a personal embarrassment. Ministers are the people whom I feel are the most vulnerable when lobbyists join the support of their executive staffs. We—the elected representatives—then take the blame for what is done as a result. I consider those groups a menace, and their deeds are the signpost to the end of the road for democractic government, regardless of party. Even now there are some who quite openly say that we will not be here four years or eight years from now, but they are here forever.

I must stress that I do not want to offend all civil servants. I am impressed with most public servants. I think most are loyal and maintain their oath, but the malcontents, power seekers, and those who leave themselves open to inducements are the ones I am discussing here. I cannot understand why some of these things are happening. I cannot blame my own ministers, with whom I disagree on some issues. The Northland Navigation fiasco on the West Coast—the tragedy created almost as though by malice aforethought—is one case. What is happening with the CRTC and with cable companies which are not happy with the excessive incomes they are making now is another.

The cable companies want pay television so that they can get an extra $1.5 billion a year. They are manipulating the CRTC so that they can get converters into every home in the country. The situation in Vancouver is a case in point. The hon. member for Surrey-White Rock (Mr. Friesen), the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) and myself went before the CRTC and fought this. The cable companies deliberately spread the word that we were racists, which is absolutely ridiculous. We fought the plan to take all the American network stations off the dial.

It is obvious to us now that the CRTC and the cable companies want them off so that people will be forced to buy converters. This way they will be able to get pay television into every home, and we will then have to pay for the programs we now get free. This is happening right now. We fought the CRTC and the cable group. They were lobbyists when they first tried to take American network stations off in January last year. We fought them when they took FM off without consultation with those who represented the people in the area. It was forced back on when the Liberal caucus from B.C. went to the cabinet and raised a protest, along with the protest of our greatest lobby, our constituents. We protested so loudly that the FM decision was reversed.

When I talk about our French network stations I am not being racist. I am part of a minority group which knows about racism and the realities of racism. I am not talking about racism. I am talking about economics and realities. The last report of the bureau of measurement indicated that the listening audience to the French network at Vancouver is 400 at prime time, and 100 most of the day; it could be less, but that is the lowest measure possible.

The only time the French network has an audience of any size—1,300—is late at night, at about eleven o'clock, when the pornographic movies come on. The cable companies and the CRTC now plan to take channel 4 off the dial. Channel 4 is the most popular station out of Seattle. They want to substitute for channel 4 the French network station for the sake of 400 viewers. Those 400 viewers could get converters, but it is not profitable to sell pay-TV to only 400. They want the whole population of half a million in Vancouver to have converters so that they can charge for pay television. This is the kind of lobbying and manipulation within the public service that terrifies me.

An incident occurred in Burnaby, B.C., yesterday. Burnaby borders on my constituency. Perhaps hon. members on both sides of this House could learn something from the incident. A fire chief was selected through a proper competition. The deputies had the right to apply, and I expect that they did enter the competion. The best fire chief was chosen from outside the department. He was chosen by the elected representatives.

The deputies in the fire department immediately sent this man to Coventry. They would not co-operate, and their subordinates joined the fight against the new chief. Finally the mayor, Tom Constable, who is a trade union leader and, like myself, concerned about justice for the rank and file—he is a concerned person, and I think a member of the New Democratic Party—fired two deputies yesterday after a long and bitter struggle. Two more are to be fired. This action took place after this long and bitter struggle, after the fire chief was hired by the elected representatives and after the staff members refused to work. I suggest that it is time that these inside lobbies and the people who are manipulating hon. members on both sides of the House go the same way when we have any sign they are disloyal. If they are not working in the best interests of Canada but working for pressure groups with vested interests, we should start cleaning them out.

There has been talk here about blacklists. I do not care about blacklists. I want to talk about some people who came from Simon Fraser University. As a reporter, I knew them, and they were a meance to the university. They did not allow students free access to jobs or to classrooms. Some students lost part or all of their year of study. Yet these people were hired on the federal public service. I wonder why. Few of them I knew were capable of loyalty to the Canadian people. They were not loyal to their colleagues. I hope someone knows they are in the public service, and I hope that they were released if their continuing subversion was noted.

I agree with the hon. member for Grenville-Carleton with regard to a freedom of information bill. I believe we should have freedom of information, but as long as the public service does not want us to know what is going on in the back rooms, we will not have it.

The public servants had already made their decision to withdraw the subsidy in the case of Northland Navigation when they called a meeting. These are civil servants, not the government of Canada. They had already made their decision to withdraw the subsidy, but they said they had to hold the meeting in order to get some members of parliament off their backs.

The hon. member for Peace River (Mr. Baldwin) has cited incidents to me, and I have read about senior civil servants who have said that they do not want members of parliament interfering in their affairs; in other words, it is their country, they are running it, and members of parliament "should stay out of our business." I think it is time we cleaned them out.

I would like to say to hon. members opposite that I am well aware of the little brown envelopes coming to them containing information. I am well aware that civil servants are feeding hon. members opposite information with which they might try to tear this government down. I know that many hon. members opposite are beginning to get nervous because of the danger inherent in this. If those public servants are giving out this information now, they would give it to us if we were on the other side, if that ever came about. I do not know whether it is going to happen. I suppose it will happen some day because society always wants change, but I do not think it will happen soon, probably not for about 20 years.

• (1640)

To be very serious, these few people in the public service do not want democratic government; they want government by civil service. That would be the end of democracy and the start of rule from within by people who are not accountable to the public.

On November 30 in the Standing Committee on Broadcasting, Films and Assistance to the Arts I had my first insight of how we are simply rubber stamps for the people who seem to run this country. That sounds like a very negative way of handling this question of lobbying but I was very discouraged because I have to answer to my constituents—as we all do—for things that I know were not created by members on either side of this House. The estimates were before that committee in an amount around $59,000. A man named Bruce Donaldson of the government telephone agency appeared as a witness. The agency wanted to pay something like $38,000 for furniture. Without any reference to the committee it had increased the staff, at a time of restraint, by 40 people. They just bought the furniture—a *fait accompli*—and then came with the estimates to be passed.

The hon. member for Fundy-Royal (Mr. Fairweather), bemoaning the terrible telephone service the agency provided, was told that the equipment was very old and could not be replaced. Facetiously, I suggested they could have done what

they did with the furniture—simply buy the equipment and bring the account to us to be rubber stamped, and then the Prime Minister (Mr. Trudeau) could take the blame for the government expenditure! That is the name of the game, Mr. Speaker. They do it, we rubber stamp it, and the Prime Minister takes the blame.

It does not matter what we call them—pressure groups, special interest groups, lobbyists—the name is interchangeable. Special interest groups will say they do not want to be called lobbyists, but the word does not change the fact. Spokesmen for unions, industry and large organizations like to pretend they speak for large numbers of people when all too often they have only had an executive meeting. They share the dialogue and then come and say they are speaking for 20,000, or 2½ million, or 20 million people.

As an example, Mr. Speaker, I have received letters from officers of the British Columbia Teachers' Federation protesting the treatment of Dr. Morgentaler. This came in a copy of a most, insulting letter to the Prime Minister of Canada, on BCTF letterhead. But I have yet to find one teacher in British Columbia—and I have shown this letter to many of them—who knew they were involved in this matter. They had the distinct impression their association was concerned about the major problem of education.

This is what worries me, Mr. Speaker. Are lobbyists really speaking for the mass of the people? Will registration of them make any difference? In the case of the cable company, I know that when we get through fighting for channel 4 we will have to fight them again and again on new issues. They will not stop until they win. Lobbyists have a single purpose; they are paid and all they have to do is work on one thing at a time. We have to work on many things and, while we are moving to our next problem, they are concentrating on the one. We cannot change the fact that they are working inside with the public service.

It should not be any comfort to the opposition that there are those who lobby with the aid of the public service—and I do not say all of the public service—in the name of nationalism, as we have seen for example with the television and magazine industry. Nationalism has been the device used for building the empires of the greedy. If this cable lobby succeeds then they could do it to any government, and elected representatives will not have control. One of the executives of the cable company stated that he hoped he could delay KOMO, Seattle's, replacement on channel 4; on the VHF dial by French network to a time just a month or two before the elections, so that he could bring the government down. I say if he could do it to us, he could do it to the opposition.

I should like to refer to lobbying in regard to the proposed gun law, Mr. Speaker. In Vancouver there is a very serious rapist, a frightening person whom the Calgary and Vancouver police feel has been involved in the rape of aged people, and is capable of murder. Bill C-83, the peace and security legislation, was introduced in this House last year. The person involved in those rapes is now free on the streets of Vancouver on mandatory parole. He had to be freed. Under the law it was legal and his right on completing his sentence under existing law. He is now out on the streets on mandatory parole; the public is angry at us because we have no way of getting him and other dangerous people off the streets.

Recently some hon. members visited a penitentiary on the prairies, and there I talked to two prisoners in segregation cells, a 16 year old and an 18 year old who will be free in four or five months. Neither of them have any fear of death.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but the time allotted to her has expired. She may continue if there is unanimous consent, however. Is there unanimous consent?

Some hon. Members: Agreed.

Mrs. Holt: Thank you, Mr. Speaker. I should like to finish this point. Those two boys have said it does not mean anything to them to kill, and they probably will kill. They do not know why. They do not know anything else, and they are coming out in four or five months. If there had been co-operation for the passage of Bill C-83, which has provisions for dealing with dangerous offenders through indefinite sentences, we could have kept society safe from the Vancouver rapist and these two youngsters who have no sense of life and death. We would probably have prevented this rapist from being released on the mandatory parole that is now his legal entitlement.

I feel this is an important matter, Mr. Speaker, and we ought to work it out. I do not see how we can answer all the questions of the gun lobbys, the pro-life lobbys, the union lobbys who really do not represent the people. But my greatest concern is the inside lobby, Mr. Speaker, the group from within that is undermining democratic government.

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I want to congratulate the hon. member for Grenville-Carleton (Mr. Baker) and, if I may say so in the same breath, the hon. member for Toronto-Lakeshore (Mr. Robinson), who have both had bills on the order paper on this general question of lobbying and who both made very able presentations in the House today.

I appreciate the thoughts and the examples given by the hon. member for Winnipeg North Centre (Mr. Knowles) on the subject, and the very interesting and thoughtful ideas we have just heard from the hon. member for Vancouver-Kingsway (Mrs. Holt). We have had a very useful discussion on the question of lobbying by people obviously interested in and knowledgeable about the subject. In addition, in past years the House had devoted many hours to an analysis of the validity of lobbying and the conduct of lobbyists.

If one searches back through the debates of this House, as I have done in examining the bill presented by the hon. member for Grenville-Carleton, one comes across repeated discussions of this topic. Many of these were prompted and promoted through private members' bills introduced by the former member from Surrey, British Columbia. The idea of lobbyists has been rather thoroughly canvassed on these occasions and I

think we have benefited by the discussion. I should like to refer to one occasion in particular, April 14, 1970. It was reported at page 5854 of the *Commons Debates*. This was in the course of one of the debates on a private members' bill of the former member for Surrey.

● (1650)

Mr. Knowles (Winnipeg North Centre): Barry Mather.

Mr. Goodale: Mr. Mather was the gentleman who presented the subject on that occasion and, I gather from reports, on other occasions as well.

If I could, I would quote a passage from some of the debates at that particular time. However, I will not take the time of the House to do that. If hon. members are interested, I refer them to page 5854 of the *Commons Debates* where the hon. member for St. John's East (Mr. McGrath) was discussing the question of lobbying. He made some rather interesting points. I would adopt at least a portion of his wording which has to do with the inequity of legislation of this kind.

The hon. member pointed out that it necessarily establishes separate classes within that broad group generally defined as lobbyists. It creates a basic inequity. Some would have to register, perhaps pay a fee and subject themselves to other restrictions. Others would not be subject to those restrictions even though their actions may be more sinister. I have serious doubts about the efficacy of this kind of proposal.

The Acting Speaker (Mr. Ethier): Order, please. Since the House agreed unanimously to call it four o'clock at 3:54, the Chair therefore has no alternative at 4:54 but to call it five o'clock. The hour appointed for the consideration of private members' business has expired. It being five o'clock I do now leave the chair until 2 p.m. on Monday next, pursuant to Standing Order 2(1).

At 4:54 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, January 31, 1977

The House met at 2 p.m.

ORAL QUESTION PERIOD

[*English*]

Mr. Speaker: The hon. Leader of the Opposition.

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question had been for the Prime Minister and I think should await his return to the House. He will not be in today, I understand, so I will pass.

* * *

ATOMIC ENERGY OF CANADA LIMITED

EFFORTS OF GOVERNMENT TO LEARN IDENTITY OF AGENT USED IN SALE OF REACTOR TO ARGENTINA

Mr. James Gillies (Don Valley): Mr. Speaker, in the absence of the right hon. Prime Minister I should like to direct my question to the Acting Prime Minister. It has to do with the dealings of AECL in Argentina and it is in light of the testimony of Mr. Lorne Gray before the public accounts committee. Mr. Gray said that it was his position and the position of AECL that they did not want to know who the agents were who were dealing for Canada and for AECL in this transaction. Mr. Gray also confirmed in these hearings that he discussed with cabinet the use of agents. I would ask the Acting Prime Minister whether it was the position of the cabinet and the government of Canada that they, too, did not want to know who the agents were and told Mr. Gray to go on in his own way, or did they just neglect to pursue this important matter?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I am not aware that the cabinet had ever dealt with the matter in any way or had ever considered the question whether information on that point ought to be a matter of interest to the cabinet.

I should say, Mr. Speaker, that as far as I am concerned, it seems to be improper to put questions on matters that are simultaneously going on in standing committees. Normally, we deal with the evidence and testimony given in a standing committee when a committee reports to the House.

● (1410)

Mr. Gillies: Mr. Speaker, my question arises out of an answer given by the Prime Minister in the House of Commons with regard to a meeting that was held with Mr. Gray and a committee of the cabinet. At that time the Prime Minister reported that Mr. Gray had told the cabinet committee they were dealing with agents. It is very important that the House and the people of Canada know whether it was the decision of the government of Canada that they did not want to know who the agent was with whom AECL was dealing. The question I direct to the Acting Prime Minister is simply this: Is it the position of the government that they did not want to know who was the agent? Second, if they did not want to know, was it because they neglected to study this issue, that they were irresponsible in not following it up, they forgot about it or did not want to know?

Mr. MacEachen: Mr. Speaker, I believe I made it clear in my earlier answer that the matter as such never came before the government of Canada requiring a decision as to whether or not we wanted to know. It simply did not arise in that form.

Mr. Gillies: Obviously, what the Acting Prime Minister is saying is that there was total neglect on the part of the government with regard to inquiring about this matter. My supplementary question is this: What priority does the government of Canada now give to finding out who the agent was? I ask this because the government of Canada may now be partially responsible for the wrongdoing on the part of officials of other countries. How high a priority is the government of Canada giving to finding out who the agent was, and in particular in terms of how willing the government of Canada is to using all its powers in diplomatic terms and so on with the government of Italy to encourage that government to release this information to Canada so that the Canadian people will be able to judge what in fact took place in this rather unsavory transaction?

Mr. MacEachen: Mr. Speaker, the hon. member having asked whether the government had already decided that it did not want to know certain things, I replied, and I repeat, the matter to my knowledge never came before the government in any form which would require a decision on that point. In answer to the second question, I repeat to the hon. member that the Standing Committee on Public Accounts is now authorized by the House of Commons to undertake a full examination into all the circumstances. The ministers who appear will co-operate fully with the committee in obtaining all the information that is required for it to make its report to the House.

Oral Questions

REQUEST FOR NAMES OF MINISTERS PRESENT AT CABINET MEETING—DISCUSSION OF USE OF AGENTS TO SELL REACTORS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I wish to direct a supplementary question to the acting Prime Minister. The former President of AECL told the committee last Thursday that the matters in question today were discussed by a cabinet committee. However, he could not remember what cabinet ministers were present at such a meeting. In fact, he could not even name one cabinet minister who was there for sure. Will the acting Prime Minister undertake to check the records of cabinet committee meetings in order to find out who was present and report this to the committee?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I will consider that question. I am not ready at the present time to give an undertaking that I will disclose the names of ministers who attended any or all cabinet committees or cabinet meetings, but I will consider the question.

An hon. Member: Television in the cabinet.

Some hon. Members: Hear, hear!

* * *

CONFEDERATION

GOVERNMENT ACTIONS TO INDUCE QUEBEC NOT TO SEPARATE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in the absence of the Prime Minister I will address my question to the Acting Prime Minister on the assumption that as a senior minister he will know something about the government's plans. I should like to ask the Acting Prime Minister if it is the government's intention to win the battle of Confederation by having the Prime Minister issue a series of personal challenges to the premier of the province of Quebec, or does the government of Canada have any specific new policies that it will be announcing intended to appeal to the province of Quebec in a positive way?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, the Prime Minister in reply to a number of questions last week indicated that the government will go forward with its policies on the subject of national unity and as time goes on the Prime Minister will make further comments, as he did over the weekend. I understand that the Prime Minister's analysis on Friday and Saturday in Quebec received enthusiastic and strong support in that province.

Some hon. Members: Hear, hear!

Mr. Broadbent: Any Liberal speaking to the chamber of commerce always gets that kind of response.

Some hon. Members: Oh, oh!

Mr. Broadbent: The babbling horde should keep quiet so one can get the question out.

[Mr. MacEachen.]

I should like to ask the Acting Prime Minister, considering that last week the Prime Minister answered no fewer than ten questions on this important subject and referred to only one program, namely the Official Languages Act, and considering that the program is supported by all the parties in the House, whether the government has no other proposal that it intends to bring forward to appeal to the hearts and minds of the people of the province of Quebec.

Mr. MacEachen: No, Mr. Speaker. The answer is obvious, that when new programs are developed, they will be announced in the House of Commons. The hon. member speaks of appealing to the minds and hearts of the Canadian people. I am sure he is pleased that the appeal made on the weekend to the minds and hearts of the people of Quebec and of all of Canada has struck a very responsive chord.

Some hon. Members: Hear, hear!

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THE CANADIAN ECONOMY

UNEMPLOYMENT—POSSIBILITY OF ANNOUNCEMENT AT MEETING WITH PROVINCIAL FINANCE MINISTERS OF MEASURES TO ALLEVIATE PROBLEM

Mr. Edward Broadbent (Oshawa-Whitby): If mere rhetoric could win every battle, the Liberals would be in office for a thousand years.

An hon. Member: It just seems like a thousand years.

Mr. Broadbent: I have a final supplementary question for the Minister of Finance. Considering that it is important to appeal in a concrete way to the people of the province of Quebec and not simply try to win this battle by scoring cheap constitutional points,—

Some hon. Members: Oh, oh!

Mr. Broadbent: —I should like to ask the Minister of Finance whether the government, and specifically the Minister of Finance, in his meeting with the ministers of finance of all the other provinces tomorrow, intends to bring before those finance ministers a specific program to deal with the national problem of unemployment, and in that context the particularly bad problem of unemployment in the province of Quebec which is forecast to average more than 10 per cent next year.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I do not propose tomorrow to introduce any additional programs to those which my colleague, particularly the Minister of Manpower and Immigration, has in operation in the country.

Mr. Broadbent: Oh boy; we are all set.

Mr. Macdonald (Rosedale): The hon. member should know that, of course, any budgetary change would be announced

first in the House rather than at the federal-provincial conference.

* * *

● (1420)

[*Translation*]

AGRICULTURE

DAIRYING—INQUIRY WHETHER FEDERAL GRANTS WILL BE ADDED TO PROVINCIAL GRANTS

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I should like to direct a question to the Minister of Agriculture.

Further to statements made by the Quebec dairy producers' representatives that they will be penalized because the Quebec government will give assistance to the dairy industry, could the minister advise whether these statements are justified or whether the federal government, when distributing reimbursements, will not take into account the assistance given by Quebec so as to be equitable in all provinces?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am not 100 per cent sure of what the hon. member is talking about, but I am responsible for our national dairy program. That responsibility means that dairy producers under the national program should be treated as fairly and equitably as possible.

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, I should like to put a supplementary question to the minister.

Could he tell us whether he has held meetings with the officials of UPA in Quebec on this issue?

[*English*]

Mr. Whelan: Mr. Speaker, I have not had meetings with UPA for quite some time.

* * *

INDUSTRY

PROVISION OF INCENTIVES TO INDUCE INDUSTRIAL RESEARCH AND DEVELOPMENT—GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. As the Prime Minister very correctly said when he was in Tokyo last fall, we must pull up our socks and improve our productivity and our technology if we are to increase our exports, and as our yearly deficit in manufactured products is now in the vicinity of $10 billion a year, is the government planning to introduce incentives to induce greater industrial research and development in this country, to be paid in direct proportion to increased effort that is made to improve our technology and increase our sales in manufactured products? Manufactured products are the ones which provide jobs.

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not agree with my hon. friend's statistical data. I would like to merely point out that in 1976 the situation was corrected. Our trade balance was showing a deficit last year but in 1976 we were successful in regaining our usual rank and due to our exportations we had a favourable balance of payments.

[*English*]

Mr. Hees: As there was improvement in the export of our raw products, which enabled other countries to manufacture goods which we should be manufacturing, and as there was no improvement in our exports of manufactured products, the ones which provide the jobs, does the minister not realize that answers like his which are vague non-answers do not impress the business community or increase our industrial research and development?

Mr. Speaker: Order, please. The hon. member for Peace River.

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CONFEDERATION

PROVISION OF GOOD GOVERNMENT AS MEANS OF APPEALING TO QUEBEC TO REMAIN WITHIN FEDERAL SYSTEM

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the President of the Privy Council which is supplementary to that asked by the hon. member for Oshawa-Whitby. It being generally conceded on all sides that the Liberal government in Quebec was defeated mainly because of political dishonesty, deceit, excessive secrecy and lack of accountability—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Baldwin: —all of which elements are quite apparent in the present federal Liberal government—

Some hon. Members: Hear, hear!

Mr. Baldwin: —will the hon. gentleman indicate if it is the intention of his government, through the Prime Minister or otherwise, to do what it can to remove these defects to show the people of Quebec who, like all Canadians, want open and honest government that this can be done and to make a major contribution to national unity?

Mr. Speaker: Order, please. The hon. member for Saskatoon-Biggar.

Oral Questions

INDIAN AFFAIRS

LEGAL AUTHORITY OF DEPARTMENT TO REMOVE CHILDREN FROM CUSTODY OF PARENTS—SUGGESTED COMPLIANCE WITH PROVINCIAL LAW

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I direct my question to the Minister of Indian Affairs and Northern Development. The director general of the Department of Indian Affairs and Northern Development in Saskatchewan has said that the department has been illegally taking children away from their parents in Saskatchewan. There are some 700 children in the care of the department in Saskatchewan, and the parents of these children, in all likelihood, never had the right to a hearing regarding the apprehension of their children. Could the minister inform the House whether it is his view that the Department of Indian Affairs and Northern Development has no legal authority to apprehend Indian children, as is the view of the director general in Saskatchewan?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am informed that while there is no special legislation which would enable the department to take these children into custody, the department acts under Section 88 of the Indian Act which has general provisions for the welfare of Indian children. In the cases in point, these children have been taken either because they have been abused very badly or have been abandoned. We take them on a humanitarian basis and place them in foster homes or institutions, about 60 per cent of which are Indian homes or institutions.

Mr. Hnatyshyn: Mr. Speaker, the minister's response indicates a continuation of a paternalistic attittude toward our Indian population. I should like to ask the minister whether he can assure the House that in future the department will issue clear guidelines respecting compliance with provincial law, obtaining court orders if apprehension is deemed necessary and especially, to advise parents of their rights pursuant to basic principles of Canadian justice. Finally, where there has been wrongful taking is the department considering the question of compensation to parents from whom children have been taken without just cause?

Mr. Allmand: Mr. Speaker, contrary to the allegation of the hon. member with respect to paternalism, the Indian people want the federal government to do this and not the provincial government. In general, however, it should be done by the provincial government. Unfortunately, we cannot get an agreement with the provincial government of Saskatchewan to do it. With respect to compensation and notice to the parents, the reason the children are taken is that the parents are either badly beating the children or completely abandoning them. In many cases, we cannot find the parents.

Mr. Hnatyshyn: Mr. Speaker, I think the minister has missed the point on which I was trying to obtain information. There is the basic principle of justice here, regardless of whether these are Indians or other citizens of our country. I ask the minister again, if this has not already been done, will he send some indication to the parents that they have rights with respect to this matter or at least refer the matter to the courts for an independent assessment of whether these children are properly taken away from their parents?

[Mr. Speaker.]

Mr. Allmand: I will gladly look into that, Mr. Speaker. We would like to regularize this as much as possible. If we have acted without the full support of the law, we have done so merely because there was no other way of dealing with a very sad situation.

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PUBLIC SERVICE

ACTIONS OF PEOPLE ON BLACKLIST WHICH JUSTIFY INCLUSION OF THEIR NAMES—REASON FOR FAILURE TO ACT UNDER OFFICIAL SECRETS ACT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Solicitor General. Now that he has had an opportunity to look further into the circumstances surrounding the compilation and circulation of the extra-parliamentary opposition list by one of his predecessors in office, is he able to tell the House and the country whether there is any hard evidence that any person on the list in fact acted improperly in circulating documents or doing anything else that would justify having them grouped together and classified for special treatment, as they have been?

Hon. Francis Fox (Solicitor General): Mr. Speaker, as I informed the House during the course of question periods last week, the totality of the information was transmitted to the ministers of the departments in which the people in question were employed. It then became the responsibility of that department to evaluate the information.

Mr. MacKay: A supplementary question, Mr. Speaker. I should like to remind the minister that it seems strange he can delegate all the responsibility emanating from his own very special department to others. Does he still hold to his position that he does not intend or make arrangements to contact these people listed so that they can take any action they deem necessary to their records or take appropriate action against the government? Is these any evidence of misconduct in leaking documents or otherwise and if so, why was something not done under the Public Service Act or the Official Secrets Act? Why was this left to fester for years?

Mr. Fox: Mr. Speaker, perhaps I can refer the member to the very full examination of this type of thing which was done by the Royal Commission on Security which reported in 1969 and stated quite clearly that in these areas departmental responsibility should remain paramount.

REQUEST FOR ASSURANCE NO OTHER BLACKLISTS EXIST

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the Acting Prime Minister

since the Solicitor General has stated there is now no list in his department. Can the Acting Prime Minister show the House that there are no such lists in any of the ministries falling within the government of Canada, lists which contain names, which would affect relationships or destroy trust and confidence between those on the list and their superiors in the public service? Can he also indicate the present situation with respect to the other ministries of government, particularly those to which this particular list was transmitted?

● (1430)

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I cannot personally verify what is in government files. I have not searched them.

Mr. Stanfield: Why not?

Mr. MacEachen: So far as I am aware, and based on my knowledge of this particular question, there are no such lists in existence.

An hon. Member: You said that before.

INQUIRY TO DETERMINE IF PEARSON GUIDELINES BREACHED BY CIRCULATION OF BLACKLIST—REQUEST FOR REPORT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in view of the questioning of the past week I cannot understand how the Acting Prime Minister can stand up and say that he had not searched, or caused any search to be made. May I direct my supplementary question to the President of the Treasury Board? Last week I asked whether he was causing any inquiry to be made into this matter, or whether he had made inquiries through the Department of Justice with respect to any public servant, particularly the one who is acknowledged as being on the list, he himself having acknowledged it, to determine whether there has been any breach of the Pearson guidelines? Has he undertaken that? If he has, what are the results; if he has not, when does he intend to undertake such an examination?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, following the question of the hon. member, I am not sure whether it was on Thursday or Friday, I began an examination, as I indicated to him, but have nothing further to report at this stage.

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[*Translation*]

URBAN AFFAIRS

POSSIBILITY OF NEW TENDERS FOR WATER FILTRATION PLANT OF AYLMER-HULL-GATINEAU REGION

Mr. Gaston Clermont (Gatineau): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs.

What position will the National Capital Commission take as a result of the instructions of the Quebec government to the Communauté régionale de l'Outaouais not to accept the lowest bidder for the construction of a filtration plant in the Aylmer-Hull-Gatineau region, but to ask for new tenders?

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, the chairman of the National Capital Commission has written today to minister Claude Morin asking his government to grant the contract to the lowest bidder. Indeed, the federal government is asking the Quebec government to abide by the assurance first given by minister Léger in his letter to the president of the CRO on December 2 last. We think it would be unfortunate to put off that project unduly. Not only could such a delay entail serious consequences for carrying out the project, but especially higher costs, which is unacceptable for all citizens of Canada as well as of Quebec.

* * *

[*English*]

PUBLIC SERVICE

INQUIRY WHETHER PEOPLE ON BLACKLIST INFORMED OF CHARGES AGAINST THEM

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Prime Minister, may I direct my question to the Acting Prime Minister? My question relates to the mandatory policy guidelines first initiated by Prime Minister Pearson in 1963 and supported by the present Prime Minister in 1969, to which my leader referred on Friday of last week. I refer in particular to the requirement in those guidelines to this effect: That when a public servant's security or reliability is in doubt the employing departments and agencies will be required to tell the employee everything that is against him, so that he can have an opportunity to resolve that doubt. May I ask if those mandatory guidelines which are part of the government's policy were followed with respect to the persons named on the list attached to the letter of June 15, 1971, by the then solicitor general?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, the guidelines to which the hon. member refers are still in existence. They did not apply, as I understand it, to the persons to whom the hon. member referred because in that case there was no question of dismissal and there was no question that that would cause the guidelines to come into play in their case.

Some hon. Members: Oh, oh!

Mr. Broadbent: Read them again.

Mr. MacEachen: Mr. Speaker, that is my understanding of the question. That is my immediate response to the hon. member's question, but I will be happy to look at the question further and reply again tomorrow.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I hope that the promise to reply tomorrow will be better kept than some of the promises to that effect which were made last week. Since the guidelines refer not just to cases of dismissal but to questioning of reliability, does that situation not apply

to these employees, and therefore will the minister see that the whole matter is checked and, preferably, that any reference to this matter is completely removed from the files of those employees?

Mr. MacEachen: Mr. Speaker, I presume that there can be a different interpretation or application with respect to the question of reliability. In this case, as I understand it, the letter was intended to suggest to ministers that they should remind those employees of their obligations with respect to a certain aspect of governmental responsibilities.

Mr. Hees: Come off it, Allan. You can do better than that.

Mr. MacEachen: It is quite doubtful in my mind whether that contemplates a challenge with regard to reliability of such persons because subsequent events, as I understand it, have seen some of these persons at least continue their responsibilities and even carry out increased responsibilites. Therefore subsequent events really do not justify the retrospective interpretation of the hon. member.

Mr. Baker (Grenville-Carleton): You are paranoid.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, seriously, may I ask the Acting Prime Minister if there is not someone on the government side who is big enough to admit that this whole farce was a Goyer goof?

Mr. Hees: Goyer's gumshoes.

Mr. Goyer: What about your gumshoes, MacKay?

Mr. Baker (Grenville-Carleton): At least they fit.

An hon. Member: Back to the oil refineries.

* * *

CONSUMER AFFAIRS

FORMULATION OF NATIONAL FOOD POLICY—PARTICIPATION OF DEPARTMENT OF AGRICULTURE

Mr. Jack Murta (Lisgar): Mr. Speaker, may I ask the Minister of Consumer and Corporate Affairs a question about which the minister has spoken on numerous occasions and about which his views have been made known on the radio, on television and in the newspapers. I am alluding to the minister's statements that Canada needs to develop a nationally integrated food policy. Is the minister's department working on such a policy? If so, what input is the Department of Agriculture supplying with respect to the formulation of such policy which the minister seems to think is so urgently needed for Canada?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, to answer the question, I indeed hope that in the not too distant future we will have a national food policy. I assure the hon. member that any such food policy would not be possible without the closest co-operation and integration of the Department of Agriculture, and there have been discussions between the departments and ministers to that effect.

Mr. Murta: A supplementary question, Mr. Speaker. Since, publicly, the Minister of Agriculture seems to view this matter differently from the Minister of Consumer and Corporate Affairs, may I ask the Minister of Consumer and Corporate Affairs, who has suggested that Canada now needs such a policy, what weaknesses he sees in the present agricultural policy espoused by the present Minister of Agriculture?

Mr. Abbott: Mr. Speaker, I am not prepared to discuss the whole area of food policy at this time. Many of us, including the Minister of Agriculture, recognize that just as energy and transportation are vital matters, so food is perhaps the most vital of all and agricultural policies, right through to the processing, distribution and retail level and consumption, are all part of that food policy. We hope before too long to have a nationally integrated strategy which will give both consumers and producers a better idea of where we are going.

Mr. Fraser: Don't worry, they already know.

* * *

AIR TRANSPORT

INCIDENT INVOLVING AIR CANADA FLIGHT 266—NEED FOR INSTALLATION OF RADAR AT VICTORIA AIRPORT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Minister of Transport. I wonder if the minister has received the report of an air incident, reported as near miss, which occurred on January 21 over Victoria International Airport and involved an Air Canada aircraft on a scheduled flight to Vancouver. Among other things, it came within 200 yards of bringing about a by-election in the riding of Esquimalt-Saanich.

• (1440)

Some hon. Members: Oh, oh!

Mr. Munro (Esquimalt-Saanich): This is an occurrence which could have been avoided had radar been in place at Victoria International Airport but in fact disaster was avoided by swift and appropriate evasive action on the part of the Air Canada pilot in command of flight number 266.

Hon. Otto E. Lang (Minister of Transport): I am happy to join with the hon. member in applauding the swift action taken by the pilot. I have not yet seen the report personally, but I look forward to doing so.

Mr. Munro (Esquimalt-Saanich): I hope the minister will see this report. Will he give an undertaking to examine it in the light of the need to instal radar now at the Victoria International Airport? If it is true that radar is now being taken out of Vancouver, could he give an undertaking that it

will be installed, if only temporarily, at Victoria International Airport?

Mr. Lang: I shall try not to draw any conclusions, Mr. Speaker, until I have received the report.

* * *

FEDERAL-PROVINCIAL RELATIONS

ALLEGATION QUEBEC BREAKING AGREEMENTS—ATTITUDE OF FEDERAL GOVERNMENT TOWARD FUTURE AGREEMENTS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Minister of Finance. On January 27 it was reported that the Prime Minister had criticized the Parti Quebecois for unilaterally breaking commitments with Ottawa. The reference was to participation in the anti-inflation program and English language courses for immigrants using the services of Canada Manpower in Quebec. He stated that Ottawa would be "more careful" in the future in dealing with a province which broke its agreements. Is the minister now in a position to be more definitive with respect to this alleged statement by the Prime Minister that Ottawa would be "more careful in the future"? Has the government any proposals in that regard?

Hon. Donald S. Macdonald (Minister of Finance): Not specifically, Mr. Speaker. I might point out that in the case of the anti-inflation program there was a meeting of first ministers in mid-December at which Quebec was represented and at which it was agreed that no further action would be taken with regard to the termination of the anti-inflation program until the finance ministers could meet at the meeting which is to be held tomorrow and the next day. That was generally agreed around the table and there was no demurrer from the minister representing Quebec. Obviously, in further dealings when there is a situation of that kind it would be incumbent upon the federal government and, indeed, among the other provinces, to make sure that Quebec is, in fact, prepared to stick by what is a general consensus around the table.

Mr. Alexander: In the light of the importance of this question, involving the unilateral breaking of commitments undertaken with the federal government, and since the Minister of Manpower and Immigration has indicated to the House that he intends to raise this issue with his provincial counterpart in Quebec, can the hon. gentleman assure us that at the federal-provincial meetings to be held tomorrow and Wednesday, this subject will be on the agenda in order that it may be properly resolved?

Mr. Macdonald (Rosedale): It will not be on the agenda as such, but there might well be some reference to Quebec's change of position in the interval between the two meetings. I should point out that while the federal government does, of course, have over-all responsibility for the anti-inflation program, because it is in relation to the provincial public sector in which the changes are made, that kind of unilateral action could have an effect upon the other provincial governments as adverse as the effect upon the over-all program.

Mr. Alexander: I can appreciate the answer the minister has given us, but bearing in mind that the unilateral breaking of commitments could possibly destroy confederation, will he reassess the reply he has just made and put this question on the agenda for full and open discussion? In my view it is of such importance that, with all due respect, the minister would be irresponsible if the matter were not definitely placed on the agenda.

Mr. Macdonald (Rosedale): It would not be my intention to put any of the finance ministers at that meeting, including myself, in the dock. I think it is regrettable that Quebec should have followed this course of action. I hope the reactions of the hon. member and of many others in the country will convey themselves to that government and that we might have some better assurance that when, as provinces and as the federal government, we agree on something unanimously, undertakings of that kind will be observed. A reputation for fair dealing, whether by a government or by an individual, is very important and I am sure this cannot be lost on the government of Quebec.

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COMMUNICATIONS

DATE OF INTRODUCTION OF SECOND PHASE OF LEGISLATION—REASON FOR DELAY

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is for the Minister of Communications. Some time ago, in the first session of this parliament, the minister said we might expect a second phase of the telecommunications legislation. I wonder when we may expect, in the second session of this parliament, to hear about the second phase of this legislation.

Hon. Jeanne Sauvé (Minister of Communications): Soon, Mr. Speaker.

Mr. Nowlan: Is the delay in the presentation of the second phase due to the present constitutional legal battle which is before the Supreme Court and in respect of which judgment has been reserved or does the minister plan, before tabling the legislation, to discuss the matter with the communications ministers of the provinces?

[*Translation*]

Mrs. Sauvé: No, Mr. Speaker, there is no relation between this case which is before the court and the delay in preparing this legislation. For the information of the hon. member, I would say that the legislation is ready, that I am giving it the last touch and that I hope to present it before initiating discussions with my provincial counterparts.

[*English*]

ENERGY

COST OF ELECTRICITY IN MARITIMES—REQUEST FOR PROGRESS REPORT ON NEGOTIATIONS TO SOLVE PROBLEM

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I have a question to address to the Minister of Energy, Mines and Resources. Would he tell the House how he is getting along in resolving the power problems of the Atlantic provinces? First, with regard to his short term program of aid to Nova Scotia, a program which was received with something less than enthusiasm by the government of that province, has he been able to reach agreement on this subject?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): We have not yet reached agreement, but I believe we are much closer than we were. I hope I shall have an announcement to make some time within the next week or so.

Mr. Stanfield: With regard to the longer term problem and the minister's search—I think it has gone on for almost a year now—for some agreement at least with regard to a study of a more far-reaching maritime grid to distribute electric power, has the minister achieved agreement on that subject? Is he conducting negotiations himself, or has he resorted to an agent?

Some hon. Members: Oh, oh!

LIQUEFIED NATURAL GAS—AMOUNT OF INCREASE IN EXPORTS TO UNITED STATES TO AID IN EMERGENCY

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question, also, is directed to the Minister of Energy, Mines and Resources. As he is aware, the United States is currently suffering from an acute shortage of energy supplies brought on by crippling cold weather along the eastern seaboard, in the midwest and in the south. Bearing in mind both humanitarian considerations and possible repercussions on the Canadian economy in terms of food and manufactured products imported from south of the border, I should like to ask the minister by how much the sale of liquefied natural gas has already been increased by way of emergency supplies to the United States. Might I urge him to make provision for similar short-term contracts with the U.S.A. in the near future?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am very pleased to be able to tell the House the National Energy Board responded so rapidly that the government in Washington has already stated publicly its appreciation of the assistance offered by Canada. Fifteen billion cubic feet of natural gas has been allocated and it is now being delivered on the basis of about 400 million cubic feet a day. In the event that this is not sufficient to tide over those particular areas in the United States which have been so heavily and harshly hit, I know the National Energy Board is prepared to consider additional allocations. I should perhaps also take this opportunity to tell the House there have been a number of other authorizations given by the National Energy Board with respect to home heating fuel oil for the east coast, for New York State, and that an inventory is being undertaken at the present time with respect to propane supplies which might be made available to the United States on an emergency basis.

● (1450)

OIL PIPELINE TO KITIMAT—INQUIRY AS TO TASK FORCE TO STUDY ENVIRONMENTAL IMPACT—PUBLICATION OF REPORT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question also is directed to the Minister of Energy, Mines and Resources. It has to do with the application which will shortly be before the National Energy Board with respect to an oil pipeline delivering oil to tankers at Kitimat for delivery to the United States. Is it correct that an interdepartmental task force or committee has been set up to study the environmental impact of such a pipeline, particularly as it affects the coastline and the people living along the coastline of British Columbia; and can the minister assure the House that the report of the task force will be made public prior to the National Energy Board making its decision, so that those who want to make submissions to the National Energy Board will be in possession of all the facts which have been gathered by the task force?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): To some extent, Mr. Speaker, I will have to take note of the question but I think I can say this. On an interdepartmental basis there is a task force or study group working, particularly on the marine aspects of a possible oil spill threat associated with that particular application. Undoubtedly, other ministers responsible for this particular area will want to comment with respect to the publication and publicity of such a report or findings.

Mr. Douglas (Nanaimo-Cowichan-The Islands): As a supplementary question, may I ask the minister whether he can tell us what departments are represented on that interdepartmental committee; and can he assure the House that all the information which the government has collected with respect to the possible dangers to those living adjacent to the coastline of British Columbia will be made public so that the people of that area can make an intelligent appraisal of the effect of the pipeline and can make the kind of representations which they think appropriate when hearings are held?

Mr. Gillespie: Mr. Speaker, I want to do everything I can to assist those who are concerned about this problem to make representations and to assure them that their representations will be heard, and indeed taken into consideration in any policy decision later taken. As to the membership of the committee, I am fairly sure that the Department of the Environment, the Department of Transport and my own departmental officials will be involved. I cannot tell the House how many other departments will be involved, but quite clearly those departments are the three main ones.

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST FOR ADOPTION OF MEASURES TO AVOID UNDESERVED HARDSHIPS TO UNEMPLOYED

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration.

Considering that a high percentage of the unemployed are victims of decisions taken by Unemployment Insurance Commission agents as regard finding jobs which are impossible to get in an area where the unemployment rate exceeds 20 per cent, does the minister plan to provide appropriate guidelines to those who are responsible for this situation so as to avoid undeserved hardships to those without jobs and income?

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): Well, Mr. Speaker, I do not agree with the premise contained in the hon. member's question, but in the event that that is taking place it is why we have established a very informal appeal procedure dealing directly with the board of referees, so that anyone who feels that he has been abused can take that particular appeal route. If the hon. member has a large, specific area that he feels needs looking into, he has only to make representations to me and we will examine the matter.

* * *

VETERANS AFFAIRS

REASON FOR REDUCTION IN VISITS BY WELFARE OFFICERS

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question, in the absence of the Minister of Veterans Affairs, is addressed to his parliamentary secretary. In light of the fact that the Department of Veterans Affairs has demonstrated considerable fiscal largesse with reference to the move from Ottawa to the maritimes involving some $20 million, I should like to know why it is that some fiscal responsibility or at least largesse is not demonstrated with reference to veterans affairs welfare officers whose visits to constituents in my riding and in ridings all across Canada have been reduced by at least 50 per cent, and why the situation should get so bad that a member of the Department of Veterans Affairs found it necessary to make a collect call to my constituency office because the department would not allow any further long distance calls from the Department of Veterans Affairs? I think the situation demands an explanation.

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, this is a particular case which will require some investigation. I think we should take the question as notice until the minister returns.

ADMINISTRATION OF JUSTICE

IMPORTATION AND DISTRIBUTION OF PORNOGRAPHIC MATERIAL—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Justice and Attorney General of Canada. Can the minister tell the House what action he proposes to take following meetings that he has held with representatives of church leaders from the city of Toronto who expressed to him concern over the importation and distribution in this country of material that is clearly in contravention of section 159 of the Criminal Code of Canada? What action does the minister propose to take as attorney general?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I had a very useful discussion this morning with the church leaders mentioned. We canvassed the whole problem of hard-core pornography being imported and distributed in Canada. They will have an announcement to make in a short while with regard, I think, to a very useful arrangement they have entered into with some of the distributors. With regard to others I urged, as I have urged in the past, that provincial attorneys general take action against distributors for the sale and distribution of those materials deemed to be obscene, contrary to the Criminal Code.

I informed the church leaders that I and the Minister of National Revenue had reviewed the processes of the Customs Tariff Act in regard to inspection of material coming across the border and co-ordination between the Department of National Revenue and federal, provincial and municipal police forces. The church leaders will be meeting with the Minister of National Revenue in due course, but I elicited their help and co-operation in bringing to the attention of the Department of National Revenue materials now in their hands, or that would come into their hands, which should properly be barred under the Customs tariff.

Mr. McGrath: A supplementary question, Mr. Speaker. Given that the enforcement provisions of the Criminal Code are within provincial jurisdiction, I would ask the minister whether he intends to bring in amendments to the Criminal Code to tighten up the penalty provisions of section 159?

Mr. Basford: Mr. Speaker, we did discuss the law and what other additional wording might be employed in the provisions of the Criminal Code without being able to determine that we should use some word other than "obscene". I did discuss some suggestions, one being additional penalties. The attorneys general will be meeting to discuss this. When I met with them in Vancouver last June I suggested to them that they might want to indicate to me what amendments to the Criminal Code might be made. I presume that at a meeting to be held shortly they will be making some proposals in this regard.

Old Age Security Act

AIRPORTS

CHARLOTTETOWN—REQUEST FOR PROGRESS REPORT ON CONSTRUCTION OF FACILITIES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct my question to the Minister of Transport, notice of which I have given him. It bears upon a pre-Yuletide exchange that we had. Can he now advise of the results of discussions between officials of the P.E.I. government and those of his own department on a matter of major concern to the whole of Prince Edward Island, namely the progress of construction of the new Charlottetown airport?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not have anything further to add at this point to the answer that I gave at that time. I will determine if there is any further definition of the dates.

● (1500)

ROUTINE PROCEEDINGS

[*Translation*]

URBAN AFFAIRS

TABLING OF LETTER FROM CHAIRMAN OF NCC RESPECTING PURIFICATION OF WATER FOR HULL-AYLMER-GATINEAU REGION

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, on behalf of the Minister of State for Urban Affairs, and according to the provisions of Standing Order 41(2), I would like to table copy of a letter, and translation thereof, sent by the chairman of the NCC to the Quebec minister of intergovernmental affairs dealing with the contract for the water purification plant for the Hull-Aylmer-Gatineau region.

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OLD AGE SECURITY ACT

AMENDMENT RESPECTING PENSION PAYABLE TO PERSONS 65 YEARS OF AGE AND OVER CONTINGENT UPON RESIDENCE IN CANADA

Hon. Marc Lalonde (Minister of National Health and Welfare) moved for leave to introduce Bill C-35, intituled: "An Act to amend the Old Age Security Act".

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

[Mr. Basford.]

[*English*]

RAILWAY ACT

AMENDMENT RESPECTING OWNERSHIP OF RAIL LINES ABANDONED

Mr. G. H. Whittaker (Okanagan Boundary) moved for leave to introduce Bill C-390, to amend the Railway Act (ownership of land where railway line abandoned).

Some hon. Members: Explain.

Mr. Whittaker: Mr. Speaker, this bill is an attempt to amend the Railway Act so that if and when railways are successful in abandoning their lines, the rights of way will revert to the Crown and, therefore, to the people of Canada.

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

* * *

INCOME TAX ACT

BILL C-22—MOTION UNDER S.O. 75C

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, on Friday last I gave notice of my intention to rise at this point, pursuant to Standing Order 75C, with respect to the bill now before the House to amend the Income Tax Act, Bill C-22. I have had more than one occasion in the past to comment that I believe the planning of the business of the House should be based upon agreement. However, I have also had occasion to comment in the past—

Mr. Speaker: Order, please. I take it the minister is giving the Chair indication of his intention to move the motion of which he gave notice on Friday. Mr. Macdonald (Rosedale), seconded by Mr. MacEachen, moves:

That in relation to Bill C-22, an act to amend the statute law relating to income tax, eight hours shall be allotted to the further consideration in committee of the whole stage of the said bill;

That, at the end of the eighth such hour, any proceeding before the committee shall be interrupted, if required, for the purpose of this order and, in turn, every question then necessary in order to dispose of the committee of the whole stage of the said bill, shall be put forthwith and successively, without further debate or amendment.

May I indicate to the House that there is only one item remaining in routine proceedings, that being the calling of questions on the order paper. This motion has been properly put forward under motions, but I wonder if the House might agree that we ought to tidy up routine proceedings by calling questions on the order paper and then reverting to motions.

Mr. Baker (Grenville-Carleton): Mr. Speaker, that is an eminently sensible suggestion.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 131, 296, 648, 816, 831, 832, 833, 843, 890, 891, 931, 943, 965, 994, 1,097, 1,146, 1,172, 1,274, 1,314, 1,325, 1,339, 1,400, 1,417 and 1,423.

[*Text*]

MINISTRY OF STATE FOR SCIENCE AND TECHNOLOGY—CONTRACTS

Question No. 131—**Mr. Orlikow:**

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Ministry of State for Science and Technology?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Hon. James Hugh Faulkner (Minister of State for Science and Technology): In so far as the Ministry of State for Science and Technology is concerned:

1. Name of Contract (a)	2. Amount Committed
Biomass Ltd.	$ 25,800
Dr. A. Chambers	1,500
Charsley & McHale Ltd.	3,000
Decision Systems Inc.	12,000
O. Dubas	3,043
J. Farrell	7,000
G. Legare	5,000
B. Paqurek and C. M. Woodside	5,300
H. L. Smith Ltd.	15,867
S. Tanny	4,800
Undersea Research Ltd.	9,500
D. Watson	34,800
R. Goblot	5,000
D. G. McFetridge	875
Statistics Canada	890
J. T. Wilson	3,175
(b) Bureau of Management Consultants	25,650
Audit Services Bureau	4,712
Halliwell and Laliberté	5,000
Total	172,912

3. 1975-76, $172,912; 1973-74, $522,512.

Order Paper Questions

FARM CREDIT CORPORATION—LOAN TO MR. DON PHILLIPS

Question No. 296—**Mr. Cossitt:**

1. Did the Farm Credit Corporation grant a loan to Mr. Don Phillips, R.R. #1, Toledo, Ontario, on or about September 1, 1975 and, if so, was the Corporation aware (a) that he had 12 head of cattle at the time the application was made (b) that he intended to increase his herd to 20 (c) that as a condition for making the loan, the Corporation insisted that he increase his herd to 30 and that Mr. Phillips did increase his herd as requested?

2. Was the Farm Credit Corporation or the Department of Agriculture aware, that the Ontario Milk Marketing Board would not increase the milk quota for Mr. Phillips beyond that already in existence for 12 cows and, if so, what are the reasons that the Corporation insisted on an increase to 30 cattle?

3. Is there any regular liaison or exchange of information between the Farm Credit Corporation and the Ontario Milk Marketing Board and (a) if so, what was the outcome in this case (b) if not, for what reason?

4. Is the Farm Credit Corporation and the Department of Agriculture aware of the severe penalties applied to Mr. Phillips for alleged over-production based on the old milk quota for 12 cows and that penalties have been applied so that he is without any monthly income and, if so, will any action be taken immediately to resolve this situation?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises: 1. Yes. (a) Yes; nine beef cows, 12 dairy cows, 20 calves, for a total of 41 head of cattle. (b) See answer to (a) above. (c) No. After normal counselling discussions as to a viable enterprise, the applicant presented a proposed plan based on a 35-cow operation.

2. No, the applicant reported to the Corporation that additional quota would be made available to him by the Ontario Milk Marketing Board.

3. Quota is negotiated between the producer and the Ontario Milk Marketing Board. There is continuing liaison between the Corporation and the Ontario Milk Marketing Board concerning overall policy.

4. There has been continuing contact between the borrower and the Farm Credit Corporation's Credit Advisor. Alternate payment arrangements have been put into effect, and the problem now appears to be correcting itself.

DEPARTMENT OF PUBLIC WORKS—PERSONNEL

Question No. 648—**Mr. Lachance:**

Between the date of the presentation of the last budget May 25, 1976 and October 12, 1976, did the Department of Public Works hire, dismiss or transfer employees to other departments and, if so, how many?

Hon. Judd Buchanan (Minister of Public Works): Yes. 582 Hired (This includes Casual and Term—six months or over). 1,024 Dismissed (Struck off strength)—The term dismissed is misleading because it denotes discharge. Only one of the 1,024 was actually discharged. The balance either left of their own volition or completed a specified term of employment. It should also be noted that there is a rapid staff turnover in the north and that one term position may have had several incumbents during the period May 25 to October 12, which inflates the turnover in relation to the actual numbers of positions involved. 62 transferred.

Order Paper Questions

"SAVE 10" PROGRAMME

Question No. 816—**Mr. Epp:**

1. What is the name of the company who received the advertising contract for the "SAVE 10" programme?

2. What was the budget for the advertising?

3. Were there contracts tendered for the advertising programme and, if so, which firms submitted tenders?

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: 1. Vickers & Benson Ltd.

2. $39,150.

3. The contract was not tendered for the advertising programme as it formed part of the total energy conservation advertising contract.

COST OF HEALTH CARE TO TREATY INDIANS

Question No. 831—**Mr. Yewchuk:**

What was the cost of health care for treaty Indians in Alberta in (a) 1965 (b) 1970 (c) 1975?

Hon. Marc Lalonde (Minister of National Health and Welfare):

	(a) 1965-66	(b) 1970-71	(c) 1975-76
Direct Costs[1]		$2,885,000	$10,815,000
Indirect Costs[2]			
Federal Government	Data not available	1,326,000	2,651,000
Province of Alberta		1,326,000	2,651,000
Total		5,537,000	16,117,000

[1] Represents the cost of services provided directly by the Department of National Health and Welfare, such as payment of drugs, transportation to hospital and Alberta Medicare premiums for treaty Indians; contracted health services to Indian bands; and operating costs of Departmental hospitals.

[2] Represents the federal government's share (estimated at 50 per cent) of the Province of Alberta's costs of hospital and medical services extended to treaty Indians through the facilities of Departmental hospitals. This amount does not include the federal government's share of other provincial costs of health services to treaty Indians as provided directly by physicians or through hospitals other than Departmental hospitals. The nature of the formulae under which the federal government shares these costs makes it impossible to determine the portion of total federal contributions or the utilization of services for any particular ethnic group or district, because these provincial health care programs are universal and include all insured residents.

HEALTH CARE COSTS TO TREATY INDIANS IN ALBERTA

Question No. 832—**Mr. Yewchuk:**

What were the main components of health care costs for treaty Indians in Alberta in (a) 1965 (b) 1970 (c) 1975?

Hon. Marc Lalonde (Minister of National Health and Welfare):

Direct costs	(a) 1965-66	(b) 1970-71	(c) 1975-76
Treatment—health care delivery		$4,895,000	$14,262,000
Public Health—health education and surveillance by trained public health nurses	Data not available	354,000	1,028,000
Involvement of Indians—health representatives for health education, home visiting, hygiene, sanitation and health liaison programs.		100,000	287,000
Health Support—laboratory testing, X-rays, glasses etc.		188,000	540,000
		$5,537,000	$16,117,000
Less: recovery from Province		2,652,000	5,302,000
Net Direct Expenditures		$2,885,000	$10,815,000
Indirect costs			
Federal governments's share of the Province of Alberta's cost of hospital and medical services.		1,326,000	2,651,000
TOTAL		$4,211,000	$13,466,000

NOTES: (1) For purposes of comparison the 1970-71 breakdown has been adjusted to reflect that comprising the current Indian Health Services activity structure.

(2) Direct costs represent the cost of services provided directly by the Department of National Health and Welfare, such as payment of drugs, transportation to hospital and Alberta Medicare premiums for treaty Indians; contracted health services to Indian bands; and operating costs of Departmental hospitals.

(3) Indirect costs represent the federal government's share (estimated at 50 per cent of the Province of Alberta's costs of hospital and medical services extended to treaty Indians through the facilities of Departmental hospitals. This amount does not include the federal government's share of other Provincial costs of health services to treaty Indians, as provided directly by physicians or through hospitals other than Departmental hospitals. The nature of the formulae under which the federal government shares these costs makes it impossible to determine the portion of total federal contributions or the utilization of services for any particular ethnic group or district, because these provincial health care programs are universal and include all insured residents.

GOVERNMENT'S SHARE OF THE COSTS OF HEALTH CARE FOR TREATY INDIANS IN ALBERTA

Question No. 833—**Mr. Yewchuk:**

What was the government's share of the cost of health care for treaty Indians in Alberta in (a) 1965 (b) 1970 (c) 1975?

Hon. Marc Lalonde (Minister of National Health and Welfare):

	1965-1966	1970-1971	1975-1976
Direct costs[1]	Data	$2,885,000	$10,815,000
Indirect costs[2]	not	1,326,000	2,651,000
Total	available	$4,211,000	$13,466,000

[1] Represents the cost of services provided directly by the Department of National Health and Welfare, such as payment of drugs, transportation to hospital and Alberta Medicare premiums for treaty Indians; contracted health services to Indian bands; and operating costs of Departmental hospitals.

[2] Represents the federal government's share (estimated at 50 per cent) of the Province of Alberta's costs of hospital and medical services extended to treaty Indians through the facilities of Departmental hospitals. This amount does not include the federal government's share of other Provincial costs of health services to treaty Indians, as provided directly by physicians or through hospitals other than Departmental hospitals. The nature of the formulae under which the federal government shares these costs makes it impossible to determine the portion of total federal contributions or the utilization of services for any particular ethnic group or district, because these provincial health care programs are universal and include all insured residents.

FLIGHT OPERATIONS MANUAL 500

Question No. 843—**Mr. Horner:**

1. What is the actual or estimated cost to Air Canada to physically remove or alter Section 14A of the Flight Operations Manual 500?

2. How many such manuals does Air Canada have?

3. Could the costs have been reduced if this action had been avoided by the implementation of the directive of the President of Air Canada when he issued a memo to all Air Canada staff concerned to disregard Section 14A of the Flight Operations Manual 500 and, if so, for what reason did Air Canada choose to follow the action it did?

Hon. Otto E. Lang (Minister of Transport): The Management of Air Canada advises as follows: 1. $82.96.

2. 2,132.

3. Manual 500, like other such manuals, is continually amended to reflect current company policy. The issuance of a directive by the President did not reduce the cost of making the amendment to the manual.

Order Paper Questions

UIC—MEMORANDUM SENT BY DIRECTOR GENERAL

Question No. 890—**Mr. Cossitt:**

1. Did Mr. D. R. Brown, Director General of the Unemployment Insurance Commission for Ontario, send a memorandum dated March 9, 1976 and marked "Confidential 20C-5" to all District Managers and Regional Office Branch Heads and, if so, did the memorandum (a) announce a policy of personnel security clearance to be instituted by the UIC and that such a decision was taken by the National Executive Committee of UIC (b) state in part: "you are asked to ensure that all the employees concerned complete the Personal History Form and that you arrange to have their fingerprints taken"?

2. What is a general description and listing of all the positions that were designated to undergo such security clearance including Benefit Control Officers, Office Managers, staff related thereto, etc?

3. How many persons in each region of the UIC are affected by the order and what is the total number of persons across the country?

4. How many employees have at any time been fingerprinted since they commenced employment with UIC and how many are scheduled to be fingerprinted at the time the answer to this question is prepared?

Hon. Jack Cullen (Minister of Manpower and Immigration): 1. Yes. It was however marked "200-5" (a) Yes. (b) Yes.

2. Secret Level: Directors General, Director, Information Services, all Senior Executives, Deputy Directors General, Regional Security Officers, Regional Directors, Operations, Regional Telecommunications and Administrative Officers, Regional Property and Communications Manager Regional Telecommunications Officers. Confidential Level: All information Services Officers (IS), all Financial Administrators (FI), all Personnel Administrators (PE), all Organization and Methods Officers (OM), Regional Office Branch Heads, District Managers BCOs—Benefit Control Officers, CAS—Chiefs of Administrative Services, Chiefs, Benefit Control. Regional Telecommunications Monitor (RTM), General Services Superintendents (GSS), Telecommunications Clerks, Communicators and ATs and CRs—Regular employees whose normal duties require them to operate teleprinter of FAX equipment. Personal secretaries and administrative staff attached directly to any of the above positions are cleared to the same level.

3. Ontario Region, 587; Pacific Region, 138; Quebec Region, 549; Prairie Region, 130; Atlantic Region, 300; All Canada, 1704.

4. Nine hundred sixty-one have been fingerprinted. 668 are still to be processed. 75 positions are vacant.

UIC—ROBERT VANTANGERLOO

Question No. 891—**Mr. Cossitt:**

1. Did Mr. Robert Vantangerloo, at the time, Personnel Director for the Unemployment Insurance Commission in Ontario, write a memorandum in March 1976 on the subject of personnel security clearance and, if so, what are the job levels of all employees in the UIC who received the memo?

2. Did the memo state in part "... it is intended to prevent passing of confidential information to groups with an interest in embarrassing or otherwise damaging the Canadian government ..." and, if so, has this led to the institution of a programme of checking personal histories of employees of the UIC as well as having them fingerprinted for the stated purpose of not embarrassing the government?

3. If such a programme has been instituted, what are the (a) reasons justifying the decision to take such a move (b) purposes for fingerprinting UIC employees?

4. Is the government placing greater restrictions than it did formerly on the rights of public servants and, if so, do the restrictions represent a lack of trust and/or an attempt to spy on public servants?

Hon. Jack Cullen (Minister of Manpower and Immigration): 1. Yes. See reply to question 890 answered this day.

2. Yes. No, the stated purpose, as outlined in D. Brown's memo, March 9, 1976 is "the prevention of unlawful passing of such information to individuals or institutions who are not entitled to possess it."

3. (a) See 2; (b) See 2.

4. No.

NATIONAL DEFENCE—SEARCH AND RESCUE

Question No. 931—Mr. McGrath:

1. What was the total number of personnel flown into the wilderness camp, known as SAR 1 and located at Eagle River, Labrador, in 1976?

2. How many were involved in Search and Rescue training exercises?

3. What are the names, ranks and/or positions of the persons flown into the camp for other than Search and Rescue exercises?

4. At what cost to Canada were these non-Search and Rescue personnel flown in and billeted at SAR 1?

5. What are the names of the non-Search and Rescue personnel who were flown in from (a) CFB Goose Bay (b) CFB Summerside (c) CFB Camp Gagetown (d) CFB Greenwood (e) Maritime Command, Halifax (f) National Defence Headquarters, Ottawa?

Hon. Barney Danson (Minister of National Defence): 1. Seventy four.

2. Forty one underwent rescue training.

3. It would not be appropriate to give this information as several of those who attended hold senior positions with our allies. The release of the information would require approval by other governments.

4. The cost of flying in and billeting personnel was approximately $11,070. $10,720 of this amount was for flying operations which has been accounted for under the regularly scheduled monthly flying training costs. Billeting costs in excess of the basic amount accounted for in the above figure, were charged to and paid by the host Canadian officers.

5. See part 3 above.

NATIONAL DEFENCE—SUPPLY OF GOODS AND SERVICES CFB GAGETOWN

Question No. 943—Mr. Howie:

1. Except for wage earners, what persons or firms supplied goods, performed services or contracted to supply or perform undertakings at CFB Gagetown from January 1, 1975 to date?

2. In each case (a) what are their names (b) what amount was paid or contracted to be paid (c) which transactions were tendered?

Hon. Barney Danson (Minister of National Defence): 1 and 2. The information is not readily available. To provide a reply would entail a lengthy and costly examination of hundreds of accounts which could not be done without hiring additional personnel for which the Department does not have the necessary resources.

DEVELOPMENT OF HYDROELECTRIC SITE

Question No. 965—Mr. Marshall:

1. Has the government been approached by the Province of Newfoundland requesting funds, in addition to those offered in the form of loans, to develop the Gull Island site in the Lower Churchill area of Labrador?

2. Has any offer been made by the government to develop the Lower Churchill Gull Island site in the form of loans and/or grants?

3. Have funds been requested to expand the proposed tunnel between Labrador and Newfoundland beyond the provision of a cable link to include the capability to provide vehicular access between Newfoundland and Labrador and, if so, what was the decision of the government?

4. What action has the government taken to reconcile the differences between the Governments of Newfoundland and Quebec as a result of the request by the Government of Newfoundland to recover that number of megawatts required to develop the Gull Island site for the benefit of Newfoundland?

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: 1. Yes.

2. No.

3. No.

4. None.

SPRUCE BUDWORM—SPRAYING

Question No. 994—Mr. Howie:

1. From January 1, 1976 to date, was any forest land in New Brunswick sprayed to combat the spruce bud worm and, if so (a) how many acres (b) what chemical was used (c) what was the (i) total cost of the operation (ii) amount contributed by the government (d) what degree of success was achieved?

2. (a) Is there any evidence of harm to humans spraying with the chemical (b) has any research been carried out on the effects of the chemical and, if so, what?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. (a) 9.6 million acres; (b) mainly fenitrothion; (c) (i) approximately $18 million. (ii) In so far as the Federal Government is concerned, $5.6 million. This contribution was a diversion of funds from one project to another under a previously approved Forestry Subsidiary Agreement between the Department of Regional Economic Expansion and the Province of New Brunswick. (d) Excellent results were obtained in terms of foliage protection and in the reduction of budworm numbers.

2. (a) There is no evidence of harm to humans as a result of spraying with the chemical in New Brunswick. (b) As it pertains to New Brunswick, research has been conducted on the effects of the chemical on the spruce budworm, songbirds, small mammals, livestock, stream fauna, pollinators and other non-target insects by various agencies including the Department of Fisheries and the Environment, the New Brunswick Department of Natural Resources, the New Brunswick Department of Agriculture, and Agriculture Canada; and in relation to humans, research has been conducted at the Izaak Walton Killam Hospital for Children, Halifax, with funding currently provided by the New Brunswick Department of

Natural Resources through the New Brunswick Department of Health.

CANADA COUNCIL GRANTS TO RESIDENTS OF NEW BRUNSWICK

Question No. 1,097—**Mr. Howie:**

Since January 1, 1974, have any Canada Council grants been given to residents of New Brunswick and, if so (a) how many (b) to whom (c) for what purpose (d) in each case, what amount?

Hon. John Roberts (Secretary of State): I am informed by the Canada Council as follows: Council data is not maintained in a form that would allow retrieval of the detailed information requested without long perusal of individual files. However, five Council programs of aid to individuals have been computerized as part of an operation that will eventually include all Council programs. The data available in respect to the computerized programs is provided in Table 1. The number and total value of awards granted to New Brunswick individuals and organizations under all Council programs is set out in Table 2.

Table 1

Awards to Residents of New Brunswick by Selected Program
Fiscal Years 1974-75 and 1975-76

Program	Name	Town of Residence		Number of Awards
Arts Grants (Up to $8,000*)				
	Chiasson, H.	Moncton		1
	Goupil, J. L.	Shippegan		1
	Richards, D. A.	Fredericton		1
			Total	3
Senior Arts Grants (Up to $16,000*)				
	Thompson, K. E.	Fredericton		1
			Total	1
Leave Fellowships (From $7,000* to $10,000*)				
	Bogaard, P. A.	Sackville		1
	Cameron, C.	Fredericton		1
	Christian, W. E.	Sackville		1
	Gallant, M. J.	Moncton		1
	Gibbs, R. J.	Fredericton		1
	Lepage, Y. G.	Moncton		1
	Morin, S. J.	Moncton		1
	Pugh, A. R.	Fredericton		1
	Robichaud, O. D.	Moncton		1
	Scobie, C. H. H.	Sackville		1
	Szabo, L.	Fredericton		1
	Woodward, C. A.	Fredericton		1
			Total	12
Doctoral Fellowships (From $5,500* to $6,500*)				
	Austin, D. L.	Minto		2
	Barrett, L. G.	Fredericton		1
	Bell, D. G.	Woodstock		1
	Blackstone, M. A.	Fredericton		1
	Brym, R. J.	Fredericton		1
	Davies, G.	Moncton		1
	De Camprieu, R. M.	Dieppe		1
	Drain, S. C. M.	Harvey Stn.		1
	Drost, D. R.	Sackville		1
	Gallant, C. M. M.	Moncton		2
	Hebert, L.	Edmundston		1
	Janssen, C. A.	Fredericton		1
	Kent, P. C.	Fredericton		1
	Leblanc, J. R. S.	Moncton		1
	MacCulloch, C.	Fredericton		1
	Malenfant, J. E. L.	Dieppe		1
	Martinez, J. P.	Moncton		1
	Massey, I. A.	Rothesay		1
	McGillvary, M. B.	Saint John		2
	Ouellette, J. G.	Moncton		1
	Riegger, R.	Saint John		2
	Robertson, P. J. M.	Fredericton		1
	Robichaud, A. M. C.	Moncton		1
	Robichaud, M. A. R.	Moncton		2
	Ross, J. M.	Fredericton		1
	Scott, R. J.	Fredericton		1
	Smith, M. E.	Fredericton		2
	Snowdon, J. D.	Sackville		1
	Stairs, A. E.	Woodstock		2
	Stanley, D. M. M.	Sackville		1
	Vaiciulenas, A. T.	Saint John		2
	Walker, L. J.	Riverview		1
	Weldon, J. F. G.	Newcastle		1
	Young, R. A.	Fredericton		1
			Total	42
Special M.A. Fellowships ($5,500*)				
	Bartlett, L. B.	Fredericton		1
	Collier, C. A.	Fredericton		1
	Connor, H. W.	Riverview		1
	Ferguson, B. S.	Fredericton		1
	Leblanc, P. E.	Moncton		1
	McAllister, A. L.	Saint John		1
	McConnell, R. L.	Saint John		1
	Roy, M. P.	Moncton		1
	White, G. M.	Dalhousie		1
	Willis, K. L.	Saint John East		1
			Total	10

* This refers to the basic amount of the fellowship and does not include additional costs for travel, thesis typing, production or research which may be met by these programs.

Table 2

Canada Council
Awards to New Brunswick Residents and Organizations
Fiscal Years 1974-75 and 1975-76
(number and $'000)

Program	Awards			
	1974-75		1975-76	
	No.	$'000	No.	$'000
M.A. Fellowships[1]	5	29	5	32
Ph.D. Fellowships[1]	19	108	23	146
Leave Fellowships[1]	4	36	8	87
Research Grants	18	134	18	106
Killam Program	1	12	1	14
General Research Grants	4	12	4	39
Conference and Travel	5	12	3	9
Explorations	15	35	13	35
Arts Grants[1]	2	10	1	7
Senior Arts Grants[1]	—	—	1	12
Short Term Grants	3	5	3	4

Program	Awards 1974-75 No.	$'000	1975-76 No.	$'000
Travel Grants	1	1	—	—
Project Cost Grants	—	—	1	2
Touring Office	1	1	2	16
Theatre	2	106	2	148
Film and Video	1	5	3	16
Visual Arts	3	28	8	58
Music and Opera	4	35	4	35
Art Bank	1	1	12	15
Writing	15	67	8	38

[1] Amount is based upon the average value of the fellowships.

NATIONAL DEFENCE—MOVEMENT OF AUTOMOBILES TO AND FROM EUROPE

Question No. 1,146—Mr. Forrestall:

1. With reference to the answer to Question No. 161 for the same years indicated in the reply, what is the government's best estimate of the number of Canadian Armed Forces personnel automobiles with final destinations or origins in (a) Quebec (b) Ontario (c) provinces west of Ontario moving between Canada and Europe and the United Kingdom?

2. How many Canadian Armed Forces personnel automobiles shipped by the government to/from continental Europe and the United Kingdom, for the years (a) 1973-74 (b) 1974-75 (c) 1975-76 were accepted/delivered by military personnel at (i) Trenton/Kingston, Ontario (ii) the Port of Montreal?

3. (a) For the years (i) 1973-74 (ii) 1974-75 (iii) 1975-76, what was the average rate per automobile paid by the government to the ocean carrier and/or freight forwarder (b) what ocean carriers are being used at the present time and what ports in (i) Continental Europe (ii) United Kingdom (iii) Canada are being used (c) what is the ocean freight rate per ton/or per automobile charged by the ocean carriers currently carrying most of the automobiles (d) what individual in what Department is responsible for routing this cargo?

Hon. Barney Danson (Minister of National Defence): 1.

	1973/74	1974/75	1975/76
(a)	214	203	217
(b)	670	582	604
(c)	436	491	460

2. (a), (b) and (c)

	1973/74	1974/75	1975/76
(i)	901	815	844
(ii)	744	590	552

3. (a) (i), (ii) and (iii)

1973/74	1974/75	1975/76
$250	$300	$300

(b) Care Line. Cast North American Ltd. Federal Commerce and Navigation Co. Ltd. (i) and (ii) Norwich (feeder service to continent) and Felixtowe, UK. (iii) Montreal and occasional shipments to or from Halifax and Vancouver. (c) Current Ocean freight basic charges on a standard North American Car—$300. (d) The annual contract is arranged by the Director of Transportation Operations at National Defence Headquarters Ottawa. A freight forwarder, Transcar Co. of Frankfurt, Germany has the current contract and that company and its agents in Europe and Canada/Montreal arrange the routing of this cargo.

OUTDOOR AND PARTICIPATORY SPORTS

Question No. 1,172—Mr. Yewchuk:

Is the Department of National Health and Welfare making any effort to encourage and facilitate such healthful outdoor and participatory sports as (a) fishing (b) hunting (c) hiking (d) mountain climbing (e) rock climbing (f) canoeing (g) cross-country skiing (h) downhill skiing and, if so, in each case, what effort is it making?

Hon. Marc Lalonde (Minister of National Health and Welfare): The Fitness and Amateur Sport Branch of the Department of National Health and Welfare is national in scope and deals primarily with national sports governing bodies and recreation associations. Through its joint objectives, the Branch seeks to help the best Canadian athletes in their pursuit of excellence, and to assist in the improvement of general fitness and recreational opportunities for Canadians. The following Associations received contributions for programs which have a significant impact on the development of healthful outdoor sport and recreation programs for Canadians:

Recipient Associations (1975-76 and 1976-77): 1. Canadian Recreational Canoeing Association: The Canadian Recreational Canoeing Association conducts six Canoeing Instructor Schools across Canada each summer in order to train experienced canoeists in teaching, organizing and promoting canoeing and canoe tripping. The participants are those involved in Youth Leadership using canoeing and the out-of-doors as educational mediums. The training received is then transmitted in agencies such as youth programmes, in school and college outdoor education programmes, or local canoe clubs. The Association has a Task Force on Standards. It is anticipated that, by 1977, a national set of standards will be approved by all provinces and national organizations that deal with canoeing. $19,080; $65,535.

2. Outward Bound Canada: Outward Bound aims to reveal and strengthen character through controlled challenge and understandable stress. The courses include extended expeditions in wild country, and challenging activities such as white water canoeing, mountaineering, and cross-country skiing. $32,000; $30,000.

3. The Alpine Club of Canada: The Alpine Club of Canada encourages the practice of mountaineering and mountain crafts; the exploration of alpine and glacial regions and the promotion of scientific study and the education of Canadians in appreciation of their mountain heritage. The Club organizes leadership training courses for ski mountaineering, rock and snow climbing; guide books are published which cover many of the Canadian mountains; the Club works closely with Parks Canada and the Canadian Travel Bureau by providing infor-

mation for tourists on mountaineering, back packing, such as access roads, routes, maps, guide books, conditions etc. $7,526; $11,602.

4. Canadian Ski Marathon: The Canadian Ski Marathon is a two day wilderness cross-country ski event covering over 160 kms that attracts over 3,000 people of all ages. During the winter the Marathon Trail is used for group ski tours and races. $26,860; $27,500.

The following national organizations have been involved in outdoor recreational activities and programs for a number of years. In fact, they were the pioneers in many of the outdoor recreational programs. These organizations have received financial assistance to enable them to conduct leadership development programs and to provide more services to their member and non-member participants in outdoor recreational activities.

5. Canadian Camping Association: $54,941; $78,526.

6. The Boy Scouts of Canada: $50,474; $42,515.

7. Girl Guides of Canada: $10,336; $26,784.

8. Boys' and Girls' Clubs of Canada: $79,400; $55,492.

9. The National Council of Young Men's Christian Association of Canada: $57,974; $67,822.

10. Young Women's Christian Association of Canada: $30,179; $19,718.

11. Guides catholiques du Canada: $32,408; $35,000.

12. Association des Scouts du Canada: $72,516; $89,489.

The following three associations strive to upgrade the quality of Canadian participation and the pursuit of excellence in their sport by strengthening the provincial, regional, and local organizations. This task is accomplished by the hosting of conferences, clinics for coaches and officials and providing technical assistance.

13. Canadian Ski Association: $438,013; $400,176.

14. Canadian Cycling Association: $160,075; $72,839.

15. Canadian Ski Instructors' Alliance: (1976-77) $48,204.

16. The Canadian Ski Patrol System: The Canadian Ski Patrol System is a charitable organization comprising highly trained volunteer and professional first aid and rescue personnel. The System was formed in 1941 to promote the sport of skiing through the encouragement of safe skiing and to provide assistance to injured skiers. $38,862; $62,500.

17. Canadian Hostelling Association: The Canadian Hostelling Association (formerly known as the Canadian Youth Hostel Association) was established in Canada in 1933 and since has been providing low cost accommodation, educational and recreational activities and travel opportunities for young people, families and senior citizens. The Association offers such group programs as cross-country skiing, snowshoeing, canoeing, (including white water) cycling, sailing, hiking, rock and snow climbing etc. $62,922; $55,516.

18. Fitness Trails: Over the past few years many municipal recreation departments, summer camps, community agencies etc., have been showing a growing interest in fitness trails and are in need of specific guidelines in regards to the concept and construction of trails. Because of the large volume of requests from across Canada, a booklet entitled "Fitness Trails" was developed in the hope that it would assist people, associations etc. with the development and construction of Fitness Trails.

FLOODING—MONTREAL AREA

Question No. 1,274—**Mr. Herbert:**

1. Did the President of the Privy Council, as recorded on page 2150 of *Hansard,* answer on December 11, 1974, that "... the federal and provincial governments have begun an intensive two-year study of methods to alleviate flooding in the Montreal area"?

2. Did the Parliamentary Secretary to the Minister of the Environment, as recorded on page 2489 of *Hansard,* answer on January 22, 1975, that "Discussions began in May, 1974 ..."?

3. Did the Minister of the Environment, as recorded on page 12581 of *Hansard,* answer on April 7, 1976, that "Within a few weeks I should receive an interim report and in June we will get the official report on the study made on floodings of rivers in the vicinity of Montreal."?

4. Did the Parliamentary Secretary to the Minister of Fisheries, as recorded on page 12655 of *Hansard,* answer on April 8, 1976, "In the provisional report, which I have here, which the Minister received yesterday and which I received today, ..." and, as recorded on page 12656 of *Hansard,* "The final technical report and recommendations are, however, not due until June 30th ..."?

5. Was the final technical report and recommendations received and (a) if so, on what date was it received (b) if not, for what reason?

6. Were objections registered by the Quebec Provincial Government after receipt of the interim report?

7. Were recommendations in the interim report unacceptable to the government and, if so, what were they?

8. What was the cost of the production of the report and on what date and to whom was payment made?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): 1 to 4. Yes.

5. Yes (a) November 30, 1976.

6. No.

7. The recommendations of the interim report and the final report are essentially the same; only minor changes have been made to some of the recommendations.

8. The cost of the study, including printing of the final report, comes to around $700,000. As provided for in the Agreement, 50 per cent of this amount has been paid by the federal government to the Government of Quebec.

NATIONAL REVENUE—EXEMPTIONS—CANADIAN COUNCIL OF REHABILITATION WORKSHOPS

Question No. 1,314—**Mr. Neil:**

Has the Minister of National Revenue received representations from the Canadian Council of Rehabilitation Workshops seeking exemptions from federal sales tax for institutions and facilities whose prime objective is the rehabilitation of handicapped or disadvantaged persons and, if so (a) have they been considered (b) does the Minister plan to grant such exemption in the near future?

Hon. Monique Bégin (Minister of National Revenue): Yes, representations were received on October 29, 1976. (a) Yes. (b) No. The Excise Tax Act does not permit exemptions additional to those now available to the Council's workshops.

Order Paper Questions

LIP—APPLICATIONS, SASKATCHEWAN

Question No. 1,325—Mr. Neil:

By constituency, in the Province of Saskatchewan under LIP, what was the (a) percentage rate of unemployment used in determining the allocation (b) initial amount allocated to each constituency (c) amount of each secondary allocation?

Hon. Jack Cullen (Minister of Manpower and Immigration):

Constituency	(a) Unemployment Rate	(b) Initial Allocation	(c) Supplementary Allocation
Assiniboia	2.91	$ 75,000	—
Battleford-Kindersley	6.66	75,000	$ 27,000
Mackenzie	13.94	342,000	358,000
Meadow Lake	14.64	369,000	411,000
Moosejaw	4.67	75,000	12,000
Prince Albert	8.22	149,000	103,000
Qu'Appelle-Moose Mountain	4.13	75,000	43,000
Regina East	6.00	75,000	183,000
Regina-Lake Centre	3.80	75,000	—
Saskatoon-Biggar	8.81	214,000	68,000
Saskatoon-Humboldt	6.83	75,000	—
Swift Current-Maple Creek	4.48	75,000	9,000
Yorkton-Melville	7.60	110,000	49,000

MANPOWER AND IMMIGRATION—NUMBER OF EMPLOYEES IN JOB CREATION BRANCH

Question No. 1,339—Mr. Howie:

How many persons were employed by the Job Creation Branch of the Department of Manpower and Immigration in each province on November 1, 1976 and, of this number, how many were not permanent employees?

Hon. Jack Cullen (Minister of Manpower and Immigration):

	Permanent	Non-Permanent	Total
Ottawa Headquarters	27	71	98
Newfoundland	4	31	35
Nova Scotia	6	33	39
New Brunswick	6	33	39
Prince Edward Island	3	8	11
Quebec	24	131	155
Ontario	12	108	120
Manitoba	5	28	33
Saskatchewan	5	21	26
Alberta	7	23	30
Northwest Territories	2	6	8
British Columbia	10	56	66
Total	111	549	660

IMMIGRATION

Question No. 1,400—Mr. Friesen:

With reference to the answer to Question No. 790, how many persons in (a) 1973 (b) 1974 (c) 1975 immigrated to Canada from (i) England (ii) France (iii) Germany (iv) Portugal (v) Spain (vi) Italy (vii) India (viii) Hong Kong (ix) Taiwan (x) Japan (xi) Caribbean (xii) United States (xiii) Mexico (xiv) Latin American Countries?

Hon. Jack Cullen (Minister of Manpower and Immigration):

	(a) 1973	(b) 1974	(c) 1975
(i)	19,979	28,828	27,761
(ii)	3,586	4,232	3,891
(iii)	2,564	3,636	3,481
(iv)	13,483	16,333	8,547
(v)	688	727	697
(vi)	5,468	5,226	5,078
(vii)	9,203	12,868	10,144
(viii)	14,662	12,704	11,132
(ix)	1,372	1,382	1,131
(x)	1,105	859	635
(xi)	19,281	23,885	17,973
(xii)	25,242	26,541	20,155
(xiii)	662	676	845
(xiv)	11,057	12,528	13,270

TRANSPORT—LEGISLATION RELATING TO CANADIAN PORTS

Question No. 1,417—Mr. Wenman:

Is it the intention of the government to introduce legislation so that the situation whereby Commission ports who do not make grants in lieu of taxes to municipalities, is corrected as quickly as possible and, if so, on what date?

Hon. Otto E. Lang (Minister of Transport): It is the intention of the government to introduce legislation concerning Canadian ports as soon as possible. At that time the government will have made the necessary decisions and will announce proposals with regard to such matters as grants in lieu of taxes.

PERCENTAGE OF IMMIGRANTS FROM FRANCE SETTLED IN EACH PROVINCE

Question No. 1,423—Mr. Friesen:

In (a) 1973 (b) 1974 (c) 1975, what percentage of immigrants from France settled in each province?

Hon. Jack Cullen (Minister of Manpower and Immigration):

	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	Bristish Columbia	Northwest Territories and Yukon
						per cent					
1973	.45	.06	.42	.47	61.79	26.24	1.25	.36	4.02	4.74	.20
1974	.21	—	.50	.33	66.99	21.93	1.68	.28	2.93	4.98	.17
1975	.21	—	.08	.33	75.10	15.85	1.54	.77	2.75	3.32	.05

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 153 could be made an order for return, this return would be tabled immediately. Again, the reason is the lengthy nature of the answer.

[*Text*]

DEPARTMENT OF AGRICULTURE—CONTRACTS LET

Question No. 153—**Mr. Orlikow:**

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Department of Agriculture?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Return tabled.

[*English*]

Mr. Goodale: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

BILL C-22—MOTION UNDER S.O. 75C

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as I remarked a few moments ago, I have often stated that my well known preference is to arrange for the planning of the House by agreement. However, I have had more than one occasion in the past to observe that there are, indeed, times, either for reasons of ideology or just plain politics, when one or more group in this House may find it of advantage to fail to so participate in the affairs of the House so that the House cannot come to an agreement or decision on measures before it. It is for the purpose of dealing with just this kind of intransigence that we have this particular procedure and that this motion is made.

It is particularly regrettable in this instance that an agreement was not possible. The amendments to the Income Tax Act incorporated in Bill C-22 are numerous. They are important in their over-all impact on Canada, and important to the many thousands of Canadians they affect directly. These taxpayers are now telling us to get on with our business so that they can get on with theirs. I believe the opposition expressed in some corners of the House to particular measures proposed in this legislation has been ill-advised. It has impaired the orderly and effective conduct of the business of parliament and it is not serving the interests of the country.

It has been claimed that the bill, particularly with its changes which raise the level of deductible contributions to pension plans, benefits only the well-to-do. The facts do not support this claim. In 1975, average family income in this country was $16,263. In 1976, of course, this figure would have been higher. Yet the simple arithmetic of the new maximum contributions to registered pension plans and registered retirement savings plans tells us that they will benefit taxpayers with incomes above $12,500. Several hundred thousand middle income taxpayers in this country, taxpayers whose incomes are average by this modest measurement, are helped by these changes. Far from a gift to the privileged, the increases simply restore the real value of limits set for contributions when tax reform was introduced five years ago.

They do no more than make up for the erosion brought about by inflation. Furthermore, many pension contracts require percentage contributions by employees which now exceed the old limits under the Income Tax Act. Without the changes proposed in this bill, these employees will be making contributions to their retirement which are disallowed as deductions, in other words, contributions which will have to be made out of after-tax income.

The bill also provides for a doubling of deductible child care expenses. In this regard I wish to refer to a report which appeared in the *Globe and Mail* of Saturday last in which it was alleged by a group in Ottawa that there was discrimination as between men and women in the application of these particular measures by favouring a single father to the extent of $1,560 per year for each child, as opposed to a $1,000 maximum for a woman. I would point out that that report is entirely erroneous; the application of the law is the same in both cases.

Almost all of the quarter of a million Canadians who claim the child care allowance stand to benefit from the increase in annual limits to $1,000 per child and $4,000 per family. None of the tax returns taking advantage of these increases can be processed by Revenue Canada until this legislation is approved. The measures in this bill are based on a budget introduced fully eight months ago. It has had the benefit of detailed examination in the House and in the country. All we accomplish by further delay is to prolong uncertainty for taxpayers and delay the decisions that thousands of individuals would like to make with respect to their planning of investments and their planning for retirement.

● (1510)

There are other changes in this legislation which will improve our tax system. The bill helps the small businessmen of this country, increasing the annual business income, subject to the low rate of corporate tax, to $150,000 from $100,000, and increasing cumulative income eligible for the low rate to $750,000 from $500,000. The bill introduces a new and fairer tax regime for charities. The changes will ensure, as far as possible, that tax exempt amounts flowing to charities are used as efficiently as possible and for strictly charitable purposes.

The bill provides for a simpler tax calculation affecting five million Canadians, many of them elderly people on limited retirement incomes who are able to make use of the interest and dividend reduction, pension and disability deductions and the special exemption for those over 65. The bill imposes a 10 per cent surtax for 1976 on individuals whose taxes exceed $8,000, a provision clearly based on ability to pay, affecting all taxpayers with incomes above $30,000. There was an erroneous report, attributed to the Canadian Press over the weekend, that this bill repeats the surtax. The very opposite is true. Unless this bill is passed, the surtax, which some hon. members say they favour, will not be imposed at all.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): In fact, the bill imposes the surtax as a supportive measure to the decisions made pursuant to the anti-inflation program introduced somewhat over a year ago.

I have mentioned only the most obvious reasons why the bill needs the approval of parliament. We are approaching the February 28 deadline when taxpayers must make their decisions on retirement plans and finalize their arrangements with trustees. Increasing numbers of other taxpayers are in position to complete their tax returns and to claim refunds, but hesitate to do so because they are affected by other measures in the bill. More than the usual degree of uncertainty already faces individuals and corporations in the conduct of their affairs at this time. Surely it is our responsibility as members of the House to deal as soon as possible with this legislation.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened with great interest when the Minister of Finance (Mr. Macdonald) indicated that the planning of the business of the House should be by way of agreement. Fortunately, that has characterized most of the arrangements for the business of the House, I think, and I know from the reputation, reasonableness, approachability and flexibility that it is much out of character for this man to be playing the Madame Defarge of parliament in moving this motion.

I was a little disturbed that, when he talked in the course of his remarks and used the phrase "in some quarters of the House" with respect to Bill C-22, he did not identify the quarters of the House from which an attitude of intransigence emanates, as he said; because I think it is fair to say—and I think there will be agreement even from those on the government side—that with respect to Bill C-22 the official opposition, the Progressive Conservative party, has not dealt in a way that could be styled intransigent, by any stretch of the meaning of that word, because there is recognition that although the bill is long and complex, it is important to Canadians.

I would not want to rise in my place and say that there will never be a period in the life of parliament when the use of the guillotine would not be necessary. There are occasions when the use of the guillotine is perhaps necessary, and it is up to the government of the day to make up its mind, when it finds it is necessary, and to suffer the consequences of its actions on that decision.

But the question that has to be asked by this parliament every time a motion of this nature is put is whether a case has been made out by the government for invoking what is unusual under our rules and traditions, in terms of our parliamentary history. The fact of the matter is that this guillotine motion, under our rules and traditions, has not been used very often. If the government has a problem with respect to this situation, it is not as a result of any intransigence, I respectfully suggest, on the part of the opposition but, perhaps, because of the way this session began. This is the first session, in the memory of parliamentarians who have been here longer than I have, in which parliament did not receive at the beginning of the session, in the throne speech, a list of the priorities or important legislation of the government.

As a result, we started on the wrong foot. There was no evidence whatsoever of any planning of the session by the government, nor any indication of what was considered important. This was distressing to us who, having returned to parliament at a time when the economic problems of this country were not getting any better but were, in fact, getting much worse, were faced by a government which gave no evidence whatsoever that during a long parliamentary recess they had even considered them.

As I have described before, there was no evidence of any action on legislation dealing with such problems as unemployment, inflation or lack of productivity. In fact, the situation could only be described as a legislative wasteland. If you go day by day through the debates during the fall of this session of parliament, you will see that we jumped from bill to bill—one day on this bill, one day on another. There was complete lack of any sense of direction in the mind of the government, which was translated into lack of leadership in terms of the business of the House. It is a fact that only on January 24, when we returned from the Christmas recess, we received any indication that there might be some direction to the government's business—almost three months after this session had begun. That is the basis of the problem of the operation of this parliament in this session, and that is the problem with which we are faced.

The Minister of Finance did not mention Bill C-19, the debate on which occupied a total of 15½ parliamentary days, almost the whole of the government's legislative period during November. I am referring to the restraints bill. How this occurred, escapes me. That bill had a predecessor in the first session of parliament. We made it clear to the government that

if they withdrew the section dealing with the amendment to the Railway Act, it would pass quickly. We made it clear to them in the course of the debate and in the course of private discussions that if they removed that section from the bill we would pass it quickly. As a matter of fact, when they finally removed it almost at the end of that period of debate, the bill was passed quickly, but we wasted a tremendous number of parliamentary days.

I think that is the prime example of stubborness. I do not think it lies at the feet of the government House leader. I think he was dealing with a very stubborn Minister of Transport (Mr. Lang) who was finally convinced that while his nannies may get a free ride on government aircraft, this bill was not going to get a free ride in the House. When he was finally prevailed upon to withdraw that section, we withdrew opposition to the bill.

Let me deal, in the few minutes I have left, with Bill C-22, the income tax bill. We are not denying the importance of this piece of legislation, but in point of fact it was left to the tail end of the first part of the second session of this parliament to be dealt with. This important piece of legislation, which affects so many Canadians and respecting which failure to pass would wreak great havoc on economic planning, was first called on November 19. Then it was neglected. The bill was not called again until December 2, and then it was called for debate on three parliamentary days.

● (1520)

If this bill was so important, why did the government order its priority in the way it did? As a matter of fact, up to and including the committee of the whole stage, where the bill now stands, we have only occupied a total of 4½ parliamentary days on a very important tax bill. The question which faces us is whether, under these circumstances, we ought in the parliamentary sense to agree to the closing off, or the guillotining, of the debate. The public is guaranteed the results of this bill by motions like this one and perhaps subsequent ones which are going to be brought as the debate proceeds. The public is guaranteed the benefit of the bill in any event, so our question is whether in terms of the traditions of this House, the official opposition ought to agree to this kind of thing.

Having regard to the arrangement of priorities and the lack of leadership in terms of the business of this House, I respectfully submit that this opposition ought not to be the handmaiden to this government's stupidity.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Therefore, we are not prepared to support this closure motion. That is not to say that this would be the case on other occasions, but it is important that we understand that the government has certain responsibilities with respect to the ordering of the business of this House, and those responsibilities, unfortunately—I use the word "unfortunately" because I look upon the government House leader as an adversary only in the professional sense, and certainly not in the personal sense—have not been carried out. It is unfortunate that that has occurred, and it is also unfortunate that the government has decided to guillotine this piece of legislation after only 4½ days, using necessity as an excuse which the government must have foreseen some time ago because, after all, the government is the drafter of the bill and, more than that, is the orderer or the business of the House of Commons.

In terms of the role of the opposition, I have always held the view that the opposition has no right whatsoever—no parliamentary right, in any event—to carry on, willy-nilly, prolonging debate on important issues when there is no disagreement in principle. However, when there is disagreement in principle it is the duty of the opposition to carry on the debate and to expose the government, and I think we have carried through on this principle.

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

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, at the outset I should like to make the observation that the Minister of Finance (Mr. Macdonald) did not spend even 30 seconds attempting to justify this unusual procedure of cutting off debate. I can understand his not spending even 30 seconds, because he knows he has no case whatsoever.

As the House leader for the Conservative party has just said, the reason the government is doing this is that its sense of priorities has been totally wrong, not only with regard to this bill but also with regard to other important national questions. The government brought this bill in for its first serious debate just before the Christmas recess. That is when the debate really began. The Conservative House leader just said we have spent only 4½ days on it. This is a bill that the government says is very important. If it is so important, why did we wait since last May, the time of the budget, until just before Christmas for a serious debate? I suggest that the government hoped to slip it through before the Christmas recess.

We do not support the guillotine motion in this case. As has just been indicated, there are times when the government must have a right to act and to exercise its judgment when the opposition is unnecessarily holding up things. In principle we go along with that. Sometimes the government has to act and be responsible for its decisions. However, in this particular instance we say this action is totally unjustified.

We have come back after a month's recess. In that time Canadians talked about all kinds of serious problems, notably the problem of unemployment. But what were the first two steps taken by the government: a debate on televising proceedings in the House, followed by a debate on metrication in certain aspects of agriculture. Those were the priorities of the government. Now the government brings in closure with respect to this financial bill.

The Minister of Finance spent all his time dealing with the substance of the bill and making the best he could of a terrible case for a terrible piece of legislation. In indicating why we oppose the closure motion and why we oppose this bill, I want to talk about four principal clauses in the bill to which we

object. We object to them because they are fundamentally unfair to the people of Canada. I want to deal with the changes in the pension plan, and in particular RRSPs; I want to talk about the child care provisions of the Income Tax Act; the elimination of the special surtax on upper income Canadians, and the effects of indexing.

In talking about these four clauses I want to point out that the information I am going to provide pertains to taxpayers at 1977 levels of taxation on the assumption that those taxpayers will have the average amount of optional deductions for which they may be eligible, and these taxpayers will have two children under the age of sixteen. What are the provisions in this bill? They are being proposed in a country which has growing inequality, in which the poor people have a lower percentage of the total income now than they had 20 years ago, and in which the top segment has a greater percentage of the national income than it had 20 years ago.

Surely that is a disgrace for any government that likes to describe itself as progressive. What are the effects of the changes in the registered pension plan and RRSPs, and how do they affect a $10,000 per year family? That family gets an average saving of $200. A $20,000 a year family saves $500. A taxpayer earning $50,000 per year will save $780. That poor friend of the Liberal party who earns $100,000 will save $940. The benefits in those four categories are in exactly inverse proportions to what they should be in a society which is concerned about economic justice.

What about the child care provisions? Instead of making a direct grant to all people who need child care facilities—and surely they are needed in this country—and by dealing with the need to finance child care in this way, we get profound inequality in terms of effects. What are the benefits in that category for a taxpayer earning $10,000, with two children? He or she will save $200. The $20,000 per year taxpayer will save $250. The $50,000 per year taxpayer will save $390. Then, again, that special friend of the Liberal party, the person earning $100,000 per year, will save $470. That is exactly in inverse proportions to what anyone concerned about compassion and justice would provide.

● (1530)

Then there is the surtax provision that the Minister of Finance touchingly raised a few minutes ago. He correctly pointed out that the surtax will be removed in 1977 on incomes of $30,000 a year or more. I would have thought that instead of drawing attention to that fact, he would have apologized for it. Wage controls will remain on the ordinary workers of the country during that period, but the family with an income of $30,000 a year or more that is supposed to share the burden of the anti-inflation program—and that was the justification given for it when it was introduced a year ago last Christmas—will have the surtax removed. Wage controls will remain for the ordinary people, and I think particularly the non-unionized workers of Canada, while the special surtax for the rich will be removed.

[Mr. Broadbent.]

Mr. Speaker, let me show what that little bit of Liberal justice will do. The taxpayer at the $50,000 level will save $420 next year. No one below the $30,000 level will save a cent as a result of this change. The taxpayer at the $80,000 level will save $1,654, and the taxpayer at the $100,000 a year level will save $2,491. I repeat, Mr. Speaker, that the special surtax which the rich were paying under the controls has been lifted, but wage controls remain. The Minister of Finance said this is peanuts.

Mr. Macdonald (Rosedale): That is what you said last year.

Mr. Broadbent: Mr. Speaker, $2,491 saved on an income of $100,000 may be peanuts, but to the poor of Canada it is not peanuts.

Mr. Macdonald (Rosedale): You have turned yourself completely around. Be honest, now.

Mr. Broadbent: Mr. Speaker, the Minister of Finance has had his chance. Under the provision for indexation carried forward in this act, again the benefits accrue to the people in the various categories I have mentioned. A poor person earning $10,000 a year—and for most parts of Canada that means living below the official poverty level—will save $98; a person earning $20,000 will save $164; the $50,000 a year person will save $450, while the taxpayer with a $100,000 income will save $1,055.

I have gone quickly through the four principal categories of tax benefit provided by this legislation. In each and every one of these categories I have shown that upper income Canadians benefit more than the average or poor Canadian. I say the net effect will be to increase inequality in Canada, instead of reducing it. For that reason, we not only oppose the invocation of the guillotine on this bill, but the bill itself.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that this allotted time has expired. The hon. member for Roberval (Mr. Gauthier).

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I want to say a few words on the motion the Minister of Finance (Mr. Macdonald) has just presented to the House.

First of all, let me say how surprised I was when, upon entering the House, I was told that such a motion would be presented to the House. Mr. Speaker, it seems to me that, had we been dealing today with matters of little importance, as always the House would have been allowed to debate for days on end, because the rule of the present government is to waste time discussing matters which require no commitment on its part. But as soon as the matter becomes serious, as is always the case with matters financial, the government comes in with its club, closure. This is the twenty-first or twenty-second time this procedure is used in this House and, believe me, Mr. Speaker, we do not approach it or counter its use blithely. In this move we see the special characteristic of this government which persists in imposing its will, its dictatorial ways. This, to my mind, is what harms the Liberal party, why it is losing in

popularity right across Canada and mainly in Quebec. The culprit is its dictatorial attitude, its the compulsion to impose its will even on the opposition; dealing with as serious a topic as that of Bill C-22 we are allowed barely four days of debate, after which closure will be imposed.

Mr. Béchard: After that, we are told that we pass nothing!

Mr. Gauthier (Roberval): The hon. member says that in spite of that, the Liberal party is told it passes no legislation. That is precisely the point: we spend half our time shooting our mouths off.

Mr. Béchard: How true!

Mr. Gauthier (Roberval): When time comes to discuss a serious matter, which deserves to be debated, closure is imposed because the government seems to be in a rush. Everything becomes urgent. That is funny! Since recent events in Quebec, everything is urgent. Even the Constitution has to be rewritten. Hurry, hurry! Yet, for 100 years, what we said fell on deaf ears.

Mr. Speaker, I do not like being "closed" in. But I enjoy discussing serious issues freely if we are still under a democracy, though I never believed in democracy with the Liberal party in this House. This is the worst bureaucratic dictatorship we ever had in Canada. It gives us the evidence of it today by its guillotine motion, using Standing Order 75C. Well, Mr. Speaker, I assure you—

An hon. Member: How come—

Mr. Gauthier (Roberval): That is odd, somebody is shouting on the other side and you never know who it is. That is like a flight of bustards. You never know which of them sang. I am simply saying that I strongly oppose this question to protect democracy in Canada. I am not totally opposed to the adoption of the bill because of some clauses like the doubling of the aid given to day nurseries and so on. I am for this; I want this aid to increase but for example when they want to increase the contributions to a registered retirement savings plan I simply say this is once again to protect the well-to-do, to protect the friends of the party. And when the minister tells me this afternoon in the House that the average salary is $16,000 a year in Canada, this is not true.

I do not know where his information comes from but it is not true that the average salary in Canada is $16,000 a year, Mr. Speaker. We must say things as they are and stop inventing statistics. All kinds of statistics are invented to cheat the Canadian people. That is precisely why some provinces are disgusted with all these statements.

Mr. Speaker, about the increase in pension plans, I repeat once again, that if we want to help Canadians—and I said it already in the House—let us increase the basic income tax deduction. In doing so we will help every worker, every Canadian. But why is it we do not deal with that? We do not as a matter of fact.

We discuss the average salary but never will the basic income tax deduction be increased to give a chance to those earning still $8,000, $9,000 or $10,000 a year to return a little less money to the federal treasury. Let those who earn big salaries pay. There should be some in Canada because to arrive at such an average salary, thousand of employees must be earning $35,000, $40,000, $50,000 a year. And there are some friends of the party who earn $45,000, $50,000, $55,000 or $60,000 in Canada!

Mr. Speaker, once again I repeat that I cannot accept such a motion and that I will vote against it, not because I am opposed to the bill—we will discuss it later on—we will have at least another eight hours to discuss it. But for the time being, I want to oppose this motion, the way the Liberal government proceeds and I am sure that the vast majority of the opposition will share my point of view.

● (1540)

[*English*]

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as members we have a number of jobs to do in this House. We are here to challenge the administration of the government and question ministers as to how they carry out their duties. This House is a sounding-board in which we, as members, can express the concerns of the country and the concerns of our regions and constituents. To a certain point, this chamber is a debating society in which new ideas are put forward. We challenge them, improve them and, speaking for the people of Canada, say what we think ought to be done or what we seek to achieve. But we should not forget—and sometimes we do—that this is a legislative body as well. We have to pass laws. We have the responsibility not only of talking about changes, of talking about what we want to do, but of enacting those changes and incorporating them into laws which will move this country in the direction on which this House decides.

Speaking as a member of a party which is committed to change, which wants to get things done, it is particularly important to me to see this House passing legislation, to see us moving forward and adopting ideas. But we can do this only if we pass laws which will be carried out in the country. We cannot bring about changes just by talking about them. We must bring them about by passing laws. We bring forward laws, vote on them and, hopefully, pass them. During the present session we are talking about human rights legislation, we are talking about improvements in the immigration laws, and about all kinds of economic matters which need to be solved with legislation. We must move ahead; we cannot allow the House to become bogged down with just talk about legislation which will not be dealt with. In other words, the House must face its responsibilities.

The Social Credit party spokesman suggested that the process of time allocation threatens democracy. I put it the other way around: I say that democracy is preserved with time allocation; it is preserved when we bring the House face to face

with its responsibilities and ask it to vote on legislation before it.

People all over this country are calling for a new budget. The economy is not growing as quickly as we want. The world is changing. Our trading partners are implementing new policies which will affect us. The Minister of Finance (Mr. Macdonald) has said that he is working on a new budget. Indeed, no persons are demanding one more enthusiastically and with more determination than the leader of the NDP (Mr. Broadbent) and other hon. members opposite. Yet, Mr. Speaker, we have not even adopted all the parts of the old budget, which are extremely important.

Mr. Broadbent: The minister has only had since last May!

Mr. Kaplan: This budget provides considerable tax relief across the board. The Social Credit spokesman mentioned, I believe, that the minister had indicated that average income in this country was $16,000 a year. That was not average individual income, but average family income that the minister was referring to, and he said so. And when we are dealing with family incomes of this size, you will note that a considerable number of the important measures in the budget benefit average families.

Mr. Speaker, I think something like five million Canadians, in a normal year, get income tax refunds. That is an approximate number, but not one of these refunds can be paid based on the budget until the bill before us is passed. The Minister of National Revenue (Miss Bégin) cannot issue the order for the refunds to be sent to Canadians unless she has the authority of the legislation which allows such refunds to be made. That legislation must be passed by this House. It is, therefore, urgent that we bring debate on this legislation to an end and to a vote, after which we can move forward and deal with a new budget and all the other important matters which hon. members of the House seek to change through legislation.

Opposition leaders have indicated that sometimes they might approve time allocation, but they have indicated that in this case they cannot approve it. They have taken that position, they say, because the government has not shown enough leadership in moving ahead with existing legislation. Mr. Speaker, in these circumstances how can you exercise leadership without using time allocation? Surely it should not take long to pass a bill of the kind we are discussing. However, it soon became clear that the opposition intended to dig its heels in, prolong debate as long as possible and force the government to do what it has done today; that is, bring in time allocation. As far as I am concerned, time allocation should be used far more often and on a regular basis.

Some hon. Members: Hear, hear!

Mr. Kaplan: Most Canadians would be astonished to learn that there is no regular method for observing a legislative timetable for bills such as the one before us. There is no other way by which members and the country can know in advance how long legislation will be reviewed, how long it ought to be considered, and when it will ultimately be voted on. I very much look forward to the day when time allocation will be a regular feature of the rules of procedure and processes of this House.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I am always interested to hear the comments of the Parliamentary Secretary to the Minister of Finance (Mr. Kaplan). He suggested for example, that the House of Commons is somehow involved in the governmental process. That is the kind of facile argument government spokesmen raise when they argue in favour of restricted debate in the House of Commons. Let us look at this question in its correct perspective. We are debating a motion which will deny the representatives of the people of Canada the opportunity to debate fully, and without restriction, certain measures brought forward by the government. As for the process of governing, it is the responsibility of the government to conduct its day to day activities and involve itself in the consideration of those who question its method of operation.

We are debating our ability to conduct a free and full debate on measures which the government has brought before parliament. These are measures which the government House leader, in his wisdom, has seen fit to bring before parliament. I see the present occasion as an attempt on the part of the government House leader to apply time allocation to all legislation at all stages.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: I understand the President of the Privy Council (Mr. MacEachen) has said on television that he would consider implementing time allocation in various debates. Although the Minister of Finance (Mr. Macdonald) is responsible for moving the present motion, the motion itself clearly shows the government's policy. Present circumstances have arisen because of the government's failure during the present and past sessions of parliament to show leadership in this House.

Mr. Speaker, I am prepared to document the legislation which was passed recently. We in the opposition have dealt reasonably with quite a number of items of legislation put forward by the government. The problem is not that the opposition has held up legislation, but that the government has had little of consequence to bring forward. It brought forward certain items it wanted passed, but left in abeyance certain tax matters from the previous session of the present parliament. Last fall it brought forward Bill C-19 which was debated at length. It was delayed until the government acceded to the opposition's request to remove an objectionable clause. After that the House made good progress. Once the government listened to the reasonable arguments of members on my side of the House, Bill C-19 which related to government expenditures soon passed all stages.

• (1550)

We are now dealing with the Income Tax Act. We have spent 4½ days on it. Second reading is passed and we are now in committee of the whole. We have dealt with the borrowers

and depositors bill, C-16, which took 3½ days. We have dealt with the James Bay agreement bill, an important piece of legislation which took 2½ days. It has been given second reading.

We have finished Bill C-2, dealing with advance payments for crops, after two days' debate in the House. Second reading has now been given. We have dealt with the Halifax longshoremen's dispute: Bill C-14 took up one-half day in the House. We have dealt with Bill C-5 concerning currency and exchange. That also took one-half day. We have dealt with Bill C-8 on the subject of securities: it took about 20 minutes. We have dealt with Bill C-12 setting out tax agreements with certain countries, which took 20 minutes. We have dealt with Bill C-3, the Deposit Insurance Corporations Act, which took 30 minutes. We have dealt with a bill concerning historic sites and monuments, Bill C-13; the debate took half a day. These things were all done before Christmas. What obstruction has taken place?

Since Christmas we have been dealing with the Customs tariff, Bill C-15, which we completed last week. Bill C-7, concerning small craft harbours, was dealt with in the course of one day before Christmas. We spent one day before Christmas on Bill C-26 having to do with scientific activities, and I suspect it will go through the House if the House leader decides to bring it down for debate.

We spent one day before Christmas discussing metric conversion and grain. It was discussed again on Wednesday and Thursday and it has now gone through second reading. When we consider that 35 days were spent on government business before Christmas—a total of 40 days up to now—we wonder what strategy the government is following. Why is it bringing down a bill under Standing Order 75 to close debate before even putting Bill C-22 before the House for discussion to determine what progress can be made? I assure the representatives of the government presently in the chamber that as far as we are concerned in the official opposition, we intend to give full and reasonable attention to all the provisions of that bill. We do not intend to delay it; we intend to deal responsibly with this legislation. If any other party, such as the NDP, feels it is likely to gain any political advantage by filibustering, it will suffer the consequences of such a move. I am not here to defend the NDP.

Mr. Knowles (Winnipeg North Centre): Good.

Mr. Hnatyshyn: If they feel they have a case, let them speak, and suffer the consequences. I can well imagine the public response the leader of the NDP is now getting from those who want to know what their position is with respect to rebates on their cheques and RRSPs. I think the leader of the New Democratic Party and his group should give serious consideration to allowing reasonable but not prolonged debate on this measure.

The point I am making is that if the government persists in its present approach toward legislation, it will cause itself even more damage than it has already suffered by reason of its bungling and ineptness. By its present course it is showing little respect for the House of Commons, composed as it is of members who represent all parts of the country.

This bill, Mr. Speaker, is not one in respect of which an allocation of time should be sought. I suggest to the House leader that it would be far better if the Minister of Finance could explain to us why it took so long to bring down the budget bills, the legislation which flows from the budget of May last year. Why are we only now dealing with these matters? Why did the government resume the session with a symbolic gesture by bringing in a motion having to do with television in the House? As a result, it was universally criticized for lack of judgment in setting priorities.

We deserve a full explanation of this apparent attempt to restrict debate. If it is the tactic of the government to restrict the speeches of representatives of the people of Canada, hon. members opposite can rest assured that I, along with my hon. friends on this side, will fight strenuously against any such attempt.

[*Translation*]

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, it is the first time for me to take part in a debate in the House as Minister of National Revenue and member of the cabinet. I think the circumstances of this parliamentary debate fully reflect the worst that can happen to the parliamentary institution when it over emphasizes the significance of procedure instead of keeping in mind the purpose of its very existence—the welfare of Canadians.

I think the wizards of procedure have been particularly well represented this afternoon by the speech of the hon. member for Grenville-Carleton (Mr. Baker) who has told us that most Canadians agree on the propositions of Bill C-22 to alleviate the fiscal burden of the taxpayers, but that the parliamentary institution, which means himself and the opposition, had a part to play. The hon. member tried to explain what this part was, even when the Canadian people want this bill passed, and the only thing we have learned from him is how a democratic institution suddenly becomes a lofty sanctuary above the common people.

Or again the list which has just been read by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) is the exact extension of this mentality of the opposition, which, short of ideas, is desperately clinging to procedure. He has given us a reading of the parliamentary works which have been completed since the beginning of this session, taking care to specify that the House took half a day, a day or a day and a half, according to the matter, without telling us at any moment why the opposition wanted to filibuster this bill.

The point of view I want to present this afternoon is that of the least popular of ministers during the first months of the year, the minister responsible for taxation, but I shall do it in a positive manner, because I know that the measures contained in Bill C-22 are beneficial to the majority of Canadians, and not only to a minority. My first concern and my duty as minister is to give Canadian taxpayers the service they are entitled to. That is my first responsibility, and I am not using

the word service just for the pleasure of it, but I am talking about quality, fastness and as few mistakes as possible when our 15,000 civil servants review the many tax returns which have already started to file in for the 1976 taxation year.

It is very important that the House discuss and vote on Bill C-22. A lot of uncertainty and confusion now exists among individuals and families who are about to fill their tax returns. We receive an increasing number of phone calls. People read the papers, watch television, listen to the radio and see that the forms they have already received, earlier than usual this year, that is at the beginning of December, the tax return forms take into consideration, more exactly take for granted that Parliament will adopt Bill C-22, but they know on the other hand that it has not. They rightly wonder what will happen.

As minister, I had to proceed with the printing of the amended tax return forms, which take into consideration the provisions of the bill and therefore anticipate the decision of the House, but it is understood that we shall have to amend the forms and to correct the returns filed in by taxpayers if the House does not pass or amend Bill C-22.

● (1600)

[*English*]

As long as Bill C-22 remains undecided, income tax rebates to taxpayers will have to be delayed. As of today, which is the very commencement of the period when returns are received by my department, I have to inform the members of the House that 41 such reports have been put aside because they included one or several of the provisions subject to the amendments included in Bill C-22. This is very unfair, to start with. We hope we will be able to process these returns and we hope to give them priority as soon as the bill is passed. I do not think that the official opposition or any opposition in this chamber wants to penalize taxpayers for our lethargic procedures or lack of ideas.

The major changes of benefit to taxpayers which are being delayed include three points, among others, on which I should like to touch briefly. First is the increase of pension plan contributions, both registered pension plans and registered retirement savings plans. I will not quote misleading statistics in the way the leader of the New Democratic Party did earlier on and confuse Canadians even more. I do know for a fact—and this was clearly illustrated by the information given in December in the course of the debate and earlier this afternoon by the Minister of Finance (Mr. Macdonald)—that this favours—

Mr. Broadbent: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Turner): The hon. member for Oshawa-Whitby (Mr. Broadbent) is rising on a point of order.

Mr. Broadbent: Mr. Speaker, I have high respect, as a rule, for the Minister of National Revenue (Miss Bégin), but she indicated that in some sense what I said earlier was misleading. I say in all seriousness to the minister, would she kindly point out which of the statistics I used was misleading?

[Miss Bégin.]

Miss Bégin: Mr. Speaker, I would greatly appreciate, like everyone else not only in this chamber and the press gallery but all across Canada, knowing the source of the statistics. If the hon. member—

Mr. Broadbent: They were taken from figures of your own department.

Miss Bégin: Everyone who has worked with statistics knows that nothing is easier than turning them around in all sorts of ways and playing tricks with them. The hon. member read—I thought he would be far more honest about it—categories of salaries and annual incomes, but did not give the slightest indication as to the year, and then quoted out of the blue—

Mr. Broadbent: That is not so. They were for 1977.

Miss Bégin: He quoted out of the blue what the reimbursement would be, and of course he kept talking. I am glad to hear the hon. member is so lucky as to know what will go on in 1977 when we have only reached January 31.

Mr. Broadbent: They were from your own department's figures.

Miss Bégin: So we have already learned that these are only estimates. That is a great clarification for the benefit of all! The hon. member was so worried about his famous friend who earned $100,000 that he could not see all the other Canadians. I am very pleased that we have been able to obtain a little more information from him, because that helps. So we are not talking of real facts; we are talking, as he has told us, simply of estimates.

Mr. Peters: They are your own estimates, not ours.

Miss Bégin: That is why, knowing they are tools of work, that we do not quote them without saying what they are. That proves my whole point.

Mr. Peters: You are the minister, so why don't you act like one?

The Acting Speaker (Mr. Turner): Order. The Minister of National Revenue (Miss Bégin) has the floor.

Miss Bégin: Besides the benefit brought under the pension plan contributions, I should like to speak of the increase in child care expenses and reiterate that the leader of the NDP has a very strange idea of what the mass of Canadians are all about. If he thinks that the quarter of a million Canadians who use the child care expenses provisions of the Income Tax Act are very limited in their needs, then good for Canada, we are a very lucky country to have so many Canadians who can afford to use child care expenses. But, of course, nothing will ever be perfect for the NDP. The third and last point—

The Acting Speaker (Mr. Turner): Order. I am sorry to interrupt the minister, but her allotted time has expired.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, it is music to my ears to hear these buddies of past years now quarrelling. When I think of how the NDP kept the government of the present Prime Minister (Mr. Trudeau) in power from 1972 to 1974, and then spent all their time this session attacking the Conservative opposition, to hear them now fighting with their lovers across the way is sweet music.

Mr. Broadbent: Don't get personal.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I happen to be opposed to this closure motion, though as the government knows I support the particular bills and spoke in the House in favour of them. Nevertheless, I defend the right of the NDP to say what they think is the truth.

Mr. Benjamin: Thank you for your help.

Mr. Hamilton (Qu'Appelle-Moose Mountain): We have spent 4½ days on this bill.

Mr. Baker (Grenville-Carleton): And that is all.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Yes, that is all. If the NDP honestly believe that if any person can afford to save money he must be rich and be put down, let them have the right to say that.

Let me put forward to the government this very simple thought. Along with many thousands of Canadians I was insulted when I came back to the House this session to find the order of business before us. When the whole country was worried about the fact that we had been in a recession for over two years, with nothing being done to attack the basic causes of inflation or unemployment, the government presented us when we first came back after the recess with a motion to bring radio and television into the House. No one is opposed to that, but surely there are more serious matters to discuss.

Mr. Broadbent: Ask Walter Baker.

Mr. Hamilton (Qu'Appelle-Moose Mountain): The next item on the agenda was metric conversion. Let me remind the House that Canada signed a treaty in 1907, 70 years ago, stating that we were going to bring in metric conversion some day. In 1971, the government passed an order in council saying we were going to put this promise into effect. It only took 70 years to get to that position!

● (1610)

In the last day or so before the recess at Christmas they sneaked in the metric conversion bill which affects the culture, lifestyle and pocketbooks of all farmers in western Canada. They did not think to give a chance in this important legislation to the ordinary, individual workingman in the factories and offices, the small businessman or the farmer, to get a few more bucks of his own to look after his future because these universal plans which we have are not meeting the need. This is good legislation the minister is trying to get through. I do not quarrel with that. All I ask is, why did they not bring it in on the first day of this session?

Parliament is important. I felt deeply ashamed when I heard members on the government side applauding the fact that what this government needs is closure, closure all the time. They call it allocation of time. You do not drive Canadians to do anything: you lead Canadians. If you want to go back to where the mistake was made, go back to 1968 where the biggest nitwits of all parties got together and brought in the rule changes. That is where you go back to if you want to criticize changes in the rules.

If you want this House to get its business through, allow hon. members to speak on behalf of their people and express their own views. Two years ago, the Manitoba legislature got rid of all this nonsense of trying to restrict elected representatives of the people. There you have a government agreeing with an opposition that the government has a right to govern and the opposition a duty to oppose. Once the government gave to the opposition complete freedom to oppose, the talking slowed down. How they got it was not by allocation of time. They simply sit there all night until the guys are finished talking. Once you get past midnight, the speeches get shorter.

Mr. MacEachen: Would you approve of that? Would you support that change?

Mr. Hamilton (Qu'Appelle-Moose Mountain): If you want changes in the rules, there is a committee sitting now with all the opportunity of bringing in this type of thing. We are not unreasonable people. If you want to take the estimates and give us back the power to control the spending of money, which parliament is here for, you will be surprised how quickly hon. members can get their difficulties off their minds. However, as long as you take away from parliament the right to speak and the right to vote on money supply, you cannot expect anything else. Parliament, however, can do its level best to vote against those restrictions and controls.

I think I have said enough, Mr. Speaker. I, personally, do not think the technique of closure is acceptable to a modern-day parliament. I believe that a positive alternative should be adopted; that the leaders and the spokesmen of our parties who deal with these rules should accept the fact they made a big, fat mistake back in 1968, and give in. I said "all parties" because we have nitwits in our party as well as other parties. They should bring in the type of rules we need in this House.

On this particular issue, I know how important it is to the civil servants to get all their papers out. But let me tell this House another little story. Even though an order in council went out in 1971 that we were going to have metric conversion, the civil servants who worked on this program so efficiently and thoroughly over the past seven years forgot to tell the government that they had to have legislation to make that possible. Last fall they rushed to the government and said, "Give us legislation." It was not until the last minute, just before Christmas, that they got it together. This legislation is going into effect tomorrow. The government does not consider it will have any trouble pushing it on the farmer. The railways

do not, and will not accept it. Parliament spoke last week. That bill, which all parties accepted in principle, is in committee. I am sure the government is smart enough now to accept the amendment that we proposed last week, will put it through and will take the rap, as we all should.

In conclusion, this move today not only shows the arrogance of a government too long in power, but shows a philosophy that is not suited for this country. I do not like to be bossed by the dictators on the left, or the dictators on the right. I certainly do not like to be bossed by the dictators who do not even sit in parliament. I suggest that this bill, closing off the right to speak in the House, should be voted down by every person who thinks he is liberal and believes in the freedom of the individual and the right of members of parliament to speak their mind.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, this is one of those perennial debates which anyone who believes in democracy and our system of government is ready to oppose, whether he is on the government side or in opposition. Those in government today should oppose it because they will likely be in opposition before long. They should be prepared for that eventuality and support the idea of agreements between parties, rather than the use of force. It is true that this government has the right, because of its majority, to make the final decision.

Looking at legislation that has been passed over the last few months—in fact, years—there have been very few occasions when members of the government or of the opposition were smart enough to persuade the civil servants that something in an act should be changed. Therefore, it is almost assured that, with this government's present majority, this bill will be passed in exactly this way. This government did not have any input into the bill originally. Nor did it have any input at any stage in this House. However, it is not prepared to allow the opposition to make some changes. It would certainly shorten the debate if the government gave some consideration to the arguments being made by the opposition.

I listened with interest to the remarks of the Minister of National Revenue (Miss Bégin). She stated that 41 tax returns involving rebates have been processed to this date. Big deal! I agree that is not a large number. However, these people are not entitled to rebates until after March 31. Therefore, it is not a very important consideration. It is also a fact that only 3 per cent of all returns are in by the end of February. Most of those ask for a rebate. The hon. member opposite makes a lot of noise. With the extra $4,000 he is being paid, he should think about some of our problems. If he wants to make loud noises, he should do that in caucus.

An hon. Member: Where did you get your licence to prophesy?

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Timiskaming (Mr. Peters) has the floor for the purpose of making a speech.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

Mr. Peters: I may not have a licence to prophesy, but let me tell that loud-mouthed member that legislation would pass through this House a lot quicker if we were not given so many ombudsman bills.

An hon. Member: "Omnibus".

Mr. Peters: Well, whatever the word is. There is no great rush about these budget bills. The government knew what it wanted when the budget was presented last May. Rather than throwing all these bill together, it would have been easier to process them if they had been separate bills for the retirement savings plans, the retirement pension plans and the child care plan. The government should have learned by now that it would be a lot easier if they did not throw in everything but the kitchen sink. It would make more sense to separate these bills. We could then make some progress.

• (1620)

I think the retirement savings program, which is relatively new in this country, could be introduced in a bill and those who are interested in that subject might pass it in a couple of days. Remember that this is not fair: it gives a lot more money to those who are making $20,000 and over than it does not those who are making $6,000 or $7,000; and also remember that those who are making $6,000 or $7,000 are paying for the gain of those who are making over $20,000. If you do not pay it one way, you pay it another. You are talking about money that is being raised to pay the taxes of this country. If you give more money to those earning a higher income than to those earning a lower income, then the latter pay for the benefits that the former get.

I think it would be reasonable to allow two to three days for a debate on the retirement savings plan. It can be said that we have had a pension plan for a long time and everybody understands it, and since there is no change in the pension structure perhaps the bill could be passed in a day and a half. As to the child care provision, there is considerable controversy about whether it provides any kind of equality at all to the people in this country. I think the Minister of National Revenue would probably agree, because she is a woman, that at the low end of the income structure women are in more desperate need of work than they are at the high end, and for that reason there is probably a greater need for child care for people with low incomes than for those with high incomes and much of the assistance will have to flow from the publicly-developed child care structures.

Miss Bégin: This is provincial. The $108 million is the amount people are waiting for in deductions.

Mr. Peters: That amount of money is the money that all taxpayers are paying to a few taxpayers who are able to get benefit from it. I suggest that if that were in a separate bill it could be passed in two or three days. All of that, and a lot of junk, is in the income tax bill. There are a lot of provisions in it and we have already allowed five days for it. The minister is saying we will get eight more hours. I think it is this type of

conglomerate bill that is unreasonable; and if it is not unreasonable, then the official opposition in the House is to blame because they agreed to Standing Order 75C. If the other opposition parties were in agreement, the government could do it under 75A. Some of us are opposed to having that conglomeration thrown together without the opportunity to speak on various issues that are not related to the income tax except in a general way and that can only be debated in the budget debate. That is the only cement which holds this whole hodgepodge of bills together.

I should like to ask the President of the Privy Council (Mr. MacEachen), who has a lot of experience in this field, a question. Something said by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) impressed me. It was that we give away a lot in trying to get the House to function properly. We have given away almost all our control of economic matters in the House. But would it not serve the members of parliament, and serve the process of law, much better if we were not to put bills before the House with some provisions which some members accept and others do not so that we get to the point where nobody knows what is acceptable and what is not.

I listened to the speech of one member from the official opposition and I do not know whether that party is for, or against, this bill. I am not sure that they know, either. They are prepared to speak against rule 75C because they are opposed to it, but I am not sure whether or not they will support the bill, regardless of whether they are prepared to debate it for the rest of the afternoon or even for several days. Frankly, I think some of my colleagues might have difficulty with the time allocation on this bill, with its provisions of varying degrees of importance. I think the government should be more fair to the opposition. We have had several such bills, such as the bill on justice, this bill on income tax—

The Acting Speaker (Mr. Ethier): Order, please. The time allotted to the hon. member has expired.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want to take a few moments to protest the move by the government to bring down the guillotine on the tax bill now before the House. I would not have spoken were it not for some of the unrealistic arguments that have been put forward on the other side. For example, the Minister of National Revenue (Miss Bégin) said that the hon. member for Timiskaming (Mr. Peters) should sit down and shut up because by speaking he was delaying the refunding of some $108 million to the taxpayers of this country. That is pure balderdash.

The same minister said that only 41 income tax forms had been filed to date, out of the millions of forms that have to be filed in this country. May I remind the House that the deadline on filing income tax forms is April 30, so we have a lot of time: we have three months to go. I know that many taxpayers in this country will not be getting refunds before some time in March, April or, indeed, May or June. It is a phony argument to say we have to impose closure on the House because we would be delaying refunds for thousands of taxpayers. If the government wants to present arguments, the arguments should be credible. If it was serious about this bill and about the time factor, it would have made sure that the bill was brought to the House before this.

This bill is the result of the budget of last May 25, and the government delayed several weeks after the budget before the bill was brought before the House. Then, when parliament reconvened in the fall, the government delayed several weeks before bringing the bill back before parliament. When we came back a few days ago, the government had some other bills of a minor nature that they put on the order paper.

The bill before us today is one that we, as parliamentarians, should be discussing, studying and scrutinizing very carefully. It is a bill dealing with the taxation system. It is a system which is one of the more unfair systems of any of the industrialized countries in the world. Carter told us so many years ago, and many other people have documented the fact. We have just had a report from the National Council of Welfare, called the hidden welfare report, which says that literally millions and millions of dollars each year go out to people in this country in the form of tax write-offs, and so on. This bill will add to that. We know it will raise the limits for private pension plans. This bill would add to that: we all know that. It would raise the limits for private pension plans. It would end the surtax which was imposed on high income people to try to make them fight inflation along with the ordinary Joe.

• (1630)

As parliamentarians, these are the things we should be concerned about if we want to create a just society and a more egalitarian society. Instead, the government brings down the guillotine on this bill. That would not have had to be done if the bill had been introduced sooner. We could have had a good discussion. There did not have to be any acrimony. The government could have listened to the logical arguments of members of the opposition and of members in the progressive wing of the Liberal party. More equitable changes could have been made. For reasons like these, I cannot remain seated and not protest when the government brings in a motion to bring down the guillotine.

In a democratic parliamentary system—and the government House leader should be interested in this point—closure should not be invoked lightly or in a frivolous way. That should only be done with regard to a really serious piece of legislation which is considered an absolute must and which has to get through. It has to be a life and death type of situation—and surely this bill does not fit into that category. If the government is going to start using Standing Order 75C, closure, on small bills like this, I think the work of parliament will be slowed down and this place will become an even slower, more monotonous and more outdated institution than it already is.

One way to speed legislation through the House is by working with opposition parties and by making sure the opposition parties have a chance to air their points of view on things they feel are important. If the government would co-operate like that, I am sure it could expedite legislation through the

House. However, when the government brings in closure, it poisons the air of the House. A number of hon. members become angry, and angry members can hold up a lot of legislation for a long time. I know backbenchers will agree with me. It is in the government's own interest not to do things like this and not to antagonize hon. members over what is a relatively small piece of legislation, albeit a very important piece of legislation for many people in this country.

The government tried to put this bill through just before Christmas to give a large Christmas bonus to the wealthy people by increasing the limits for private pension plans, by increasing the limits for registered retirement savings plans and by ending the special surtax on high incomes. That is what the Liberal party tried to do. It tried to rush it through when people were not watching. It wanted to play Santa Claus to the wealthy people of this country.

An hon. Member: Grow up.

Mr. Nystrom: The members of this party made up their minds not to go along with that, and before Chirstmas we stopped the bill. Now the government is trying to invoke closure and bring down the guillotine to protect its wealthy friends. The Minister of National Revenue has the audacity to suggest that if we keep debating this bill we will delay the sending out of refunds to hundreds of thousands of taxpayers. I do not buy that argument. The overwhelming majority of income tax returns have not even been processed.

Mr. Benjamin: They haven't even come in yet.

Mr. Macdonald (Rosedale): They have come in, but they can't be processed because you are delaying.

Mr. Nystrom: I suspect that many people have not yet even received their T4 slips, knowing the speed at which this government operates and knowing the Post Office of this country. If things are that far behind, why does the government want us to rush this bill through?

Mr. Benjamin: The taxpayers are behind.

Mr. Nystrom: The taxpayers are behind, partly because of the unfairness of the government. Little wonder the government is doing so poorly in the public opinion polls when it treats parliament, and opposition members who are here doing their work as well and as studiously as they can, with such arrogance, and when it tramples on all the good ideas which come from this side of the House. I am really glad I am not a Liberal backbencher, because I know they are expressing these ideas to their ministers, and they are being trampled upon. That is why so many of them are considering not running in the next election: they are disillusioned with the government.

I am glad the government brought in closure today, because that brings into the open the way it operates, the way it perceives people and the way it treats people. It brings it all out into the open and indicates to the Canadian people that this is a big, arrogant government—a Big Brother. By this action, the government is indicating that it wants to push things through and trample on the rights of people just because it has to have its way. I see that my time is pretty well up.

Some hon. Members: Hear, hear!

Mr. Nystrom: However, I had to rise and say those words, not just on my own behalf but on behalf of many hon. members in the back benches of the Liberal party who sit there like muffled puppets on the end of a string and feel frustrated because of the actions of the powerful ministers who sit on the front benches. Liberal backbenchers know very well that they cannot speak their minds because they would be denying themselves promotion to parliamentary secretary positions or eventually to the cabinet or to the Senate. I know most of them want to follow the lead of hon. Jean Marchand and eventually end up in the Senate, because that is where all good Liberals want to end up. It is really on behalf of all those good Liberal friends of mine that I have made these few very relevant remarks this afternoon.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I also want to say a few words about this motion under Standing Order 75C. I also want to speak on behalf of alienated Liberals from the three prairie provinces.

Mr. Broadbent: There are only three of them.

Mr. Benjamin: Liberal backbenchers cannot get the message through to those in the two front rows and those in the middle. They do not seem to have the courage or the guts to do so. If they do have the courage or the guts, they do not have the muscle to get messages through to the cabinet. If what they hear back home is meaningless to the Minister of Finance (Mr. Macdonald), the government House leader and the Minister of National Revenue (Miss Begin), then I would be only too glad to assist those Liberals, because what the government is trying to do in this legislation is not meant to help most of the people of Canada.

The government has invoked Standing Order 75C, which it has the right to do under the rules, but it is doing so in the case of legislation which will help only about 30 per cent of the taxpayers of the country and the overwhelming majority—about 70 per cent—will reap little or no benefit. Those who have the lowest incomes will reap the least benefit from this legislation.

Much has been said about alienation in this country—not just in Quebec—and one wonders why there is alienation. People feel alienated when they find out, sometimes weeks, months or even years after the fact, that if they have an income of only $10,000 a year, a wife, two or three children and mortgages up to their eyeballs, they will reap benefits under this bill totalling close to $500 in 1977, but that the fellow who is in the $25,000 bracket will reap benefits of, would you believe, $1,156, give or take a few dollars here or there.

Under this bill, people in the $50,000 bracket—and that includes civil servants, cabinet ministers, union leaders and

corporate executives; a lot of people—will benefit by a little over $2,000. In the fight against inflation which the government has been waging, one would have thought that it would at least have had the decency to continue the idea that those who have can pay a little bit more for a little while longer should do so. But no, the government wants to relieve those on high incomes. For the government this is just another step on its way to the cemetery.

● (1640)

Mr. Speaker, no wonder there is alienation. This bill is one of the reasons—this unfair tax system which requires people at the lowest end of the income scale to pay a disproportionate share of the cost of running the country. Of course, there is nothing new about that: it has been chronic with old-line party governments in this country since year one.

The alienation is compounded almost weekly. The Minister of Transport (Mr. Lang) is liable to ask for a motion under rule 75C before this part of the session is much older. He got kicked in the head for wanting to hurt places like Halifax and St. John's, Baie Comeau and Quebec City, the Georgian Bay ports, the western grain producers and the flour milling industry of Canada. He got kicked in the head all last fall, and I am convinced that finally his colleagues persuaded the government to withdraw that clause from an earlier bill proposing government restraint. But I will be damned if the same minister did not bring the same provision back to the House in another bill.

Alienation is not peculiar to Quebec, Mr. Speaker. I do not know how many times the Minister of Transport has to be kicked in the head or how many times a brick wall has to fall on him. The trained seals and pacified sheep over there sit silent, but I hope they make some noise in their caucus. They certainly do not make it here. They drive people to wanting separation. There are a few in every part of the country who feel that way, and with the government's total lack of priorities they will continue to try to pass legislation that helps the wealthy and forgets about unemployment. They did not really implement their own anti-inflation program. They said the minimum increase in income should be $600 per year, but I do not see the old age pensioners getting that. That was not a priority; the priority was bulldozing various and sundry items through this House. This reminds me of a late, unlamented premier of Saskatchewan, Mr. Speaker, who proposed legislation about branding irons, chicken debeakers and turkey saddles at a time the province had the highest unemployment for years. The same thing is happening here.

While the official opposition may vote with this party in opposing the motion, I would have thought they would be stridently opposing the legislation as well. But I hear a strange silence from them. I can recall no objection from any member of the official opposition about a taxpayer with an income of $50,000 a year saving $2,000 under this bill, while somebody with a $5,000 income saves only $500 or less. I would have thought the official opposition would have wanted to reverse that table. Certainly, we New Democrats would like to reverse the child care provision. A family with an income of $10,000 or less will save up to $200, but families with an income of around $50,000 will save up to $400. It should be the low income family that benefits twice as much as the high income family. There is not too much noise about this from the official opposition, however. I sense a strange reluctance on their part to impose a tax on high wage earners that would be in proportion to that paid by people on low incomes.

The alienation continues, Mr. Speaker. It is not only because of the bill I mentioned earlier, stupidly introduced by the Minister of Transport with the consent of the government House leader. I can tell the government House leader that the bill will not go through even if we are kept here in July and August. Some government backbenchers from the maritime provinces, the St. Lawrence ports, the Georgian Bay ports, and even from western Canada, will confirm that they do not want to see it go through either. I think this pattern of alienation has to stop.

The Acting Speaker (Mr. Ethier): Order, please. I regret to inform the hon. member that his time has expired. The hon. member for Cape Breton-East Richmond (Mr. Hogan).

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise to debate this motion on the legislation that we considered at another time, not that I have anything new to say, but to tell this government that my constituents and many people in the Atlantic region are not worried about it. What they are concerned about is the extremely high unemployment in their areas.

ti2 This past weekend I spoke in the riding of a Liberal member. I was informed both by the press and other people that there is 35 per cent unemployment in the Chatham-Newcastle area of northern New Brunswick at the present time. I know what it is in the Cape Breton highlands and the Canso area. The unemployment is unbelievable and is as high now as at any time in the last 20 years. In fact, in some cases it is almost as high as during the depression. Myself and three fellow members were in Newfoundland and saw what it is like there. I do not have to tell hon. members from Newfoundland about this, but maybe some backbench Liberals have not been there to see the conditions in the outports. If they knew about unemployment there, they might have a different attitude to the distribution of income.

It bothers me that this bill proposes to remove the surtax from incomes of $30,000 and over, while wage and price controls are to remain. There is something wrong with a government that considers as progressive removal of a surtax from the rich at a time when people on low income are not even not holding their own but are unemployed. There is no record of under-employment in the country; no record of people so discouraged that they do not look for work. That is because in areas of Newfoundland, in areas of northern New Brunswick, in areas of the Gaspé, in areas of northern Ontario, and in Cape Breton there just are no jobs.

When I apply for a disability pension on behalf of a constituent, I am astounded to get a letter saying the disability allowance is not available because the applicant can do light

work. Where is anyone to get light work in Cape Breton, northern New Brunswick, Newfoundland or the Gaspé, Mr. Speaker? Not only does the constituent not get the disability pension but he does not get his rightful share of unemployment insurance because of the definition of "region". The President of the Treasury Board (Mr. Andras) promised me, when he was minister of manpower and immigration, that the definition of "region" would be changed so that a small sub-region like mine, and other parts of Cape Breton, would not be included in the provincial average. The higher employment in the Halifax-Dartmouth area pulls down the amount available to areas that need it.

● (1650)

If I sound angry, let me say that my anger is called for by what I see happening across the Atlantic provinces. Every member from the Atlantic provinces should be angry. I oppose separatism, as does everbody in this House, but I can understand why the people of Quebec would want separatism. Under this government they have suffered from great unemployment in certain parts of that province. One sees unemployment in much of the Atlantic region.

My party supports a more favourable distribution of income to lower income groups in Canada and apologizes to no one for that position. There is no evidence showing that the Minister of National Revenue (Miss Bégin) and the Minister of Finance (Mr. Macdonald) are correct when they say that the present measure is needed as an inducement for saving in this country. The fact is that personal savings in Canada in the last three years have gone up. We do not need incentives for our people to save. Such arguments are false. There is no evidence to show that without passage of this measure there would be a disincentive to invest in the private sector of this country. I put it to you, Mr. Speaker, that if you give the rich a tax break, they will invest part of their wealth in New York in the United States where they will get a higher return. According to their logic, that is fine. But we as members of parliament should not encourage that. We have the right and the serious obligation to oppose this measure.

My long-time friend, the deputy prime minister, recently made a speech after being awarded an honourary degree for his work concerning the reform of parliament. I was impressed by his speech. I do not know much about procedure, Mr. Speaker, but recall his saying that debates today are not the same as debates in the good old days in the 1950s. The minister said that certain unimportant bills which should not take long to pass are debated for too long, whereas important bills which ought to be debated at length are not debated enough.

The present bill falls into the latter category. Four and a half days of debate is not enough. I can tell Liberal members, some of whom are personal friends, that people in the Atlantic region are mad at them for considering at the resumption of this session the televising of House debates, when so many of our people are desperately suffering from under-employment and unemployment. Be more concerned about the equality of income distribution in this country, and less concerned about forcing through the House this legislation which will benefit the rich. Surely, backbenchers opposite and progressive elements of the Liberal party oppose the incestuous relationship which has developed beween the rich and their party, a relationship which is evident in this legislation. When are the progressive elements of the Liberal party going to make the party truly liberal, instead of listening to its right wing?

Mr. Benjamin: The Conservatives.

Mr. Hogan: Your present income distribution policies are hurting the people of Canada, and it should be obvious that they are hurting you, too. No wonder you will be thrown out in the next election, when you introduce bills like this.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, it is difficult to understand why the government would bring in closure on this measure. I speak as one who has supported closure in the past when I felt the issue was of such urgency that closure was called for.

I shall now mention a significant set of figures on which I hope to elaborate later. The Minister of National Revenue (Miss Bégin) suggested that 41 of between eight million and nine million taxpayers may be hurt by this measure. I suppose when you compare that number with the number awaiting changes to the Old Age Security Act and to workmen's compensation legislation and the like under the jurisdiction of other legislatures, the figure is not particularly significant. But we should look at it in its correct perspective. By the end of March, in a normal year, not more than 3 per cent of all filings have been completed. By the end of April, in any average year, not more than 20 per cent of all tax forms have been handled.

I suggest that this debate would have finished well before the end of April, and fail to comprehend why the government feels it necessary to impose closure on this measure. The government argues that taxpayers are waiting for rebates and to having forms processed. Even if one could say that this measure will affect a few poor people who sort of got lost in the shuffle, as it were—I give the government the benefit of the doubt—I cannot see any urgency for the passage of this measure because the people will not get their tax forms back more quickly than in any other year.

Unfortunately, my party does not have enough members in this House to prolong this debate beyond a certain point; otherwise we would have fought this measure to the end.

After studying the bill, you can only come to one conclusion. Nothing focuses attention more on the inequalities in this country and on the welfare system which favours the rich than this sort of debate. In other words, the government does not want to debate the bill.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: The hon. member for Yorkton-Melville (Mr. Nystrom)—Agriculture—Cow-calf support program—Reason for reduced payment to provinces which have programs; the hon. member for Vancouver South (Mr. Fraser)—Labour conditions—Composition of proposed group to discuss economic issues—Position of Canadian Labour Congress; the hon. member for Halifax-East Hants (Mr. McCleave)—Central Mortgage and Housing Corporation—Request for action to protect public from effects of excavation in Quaker Crescent area of Lower Sackville.

It being five o'clock, this House will now proceed to the consideration of private members' business as listed on today's order paper,—

[*English*]

Mr. Goodale: Mr. Speaker, I rise on a point of order concerning the private members' business it was intended to discuss today. There were the normal discussions about the item which the House was supposed to consider during private members' hour, the item standing in the name of the hon. member for Bellechasse (Mr. Lambert). Unfortunately, weather conditions in that hon. member's home province have prevented his attendance in the House today. We received that news late this morning and have been going through the regular list of items on the private members' business agenda without being able to find an item ready for consideration at this time.

I regret to inform the House that unfortunately, despite our best efforts, we have not been able to bring forward an item for consideration during today's private members' hour. In view of that circumstance, and since we have made every effort to bring forward an item for consideration, I suggest that the House might consider continuing with and concluding its discussion relating to the motion proposed by the Minister of Finance (Mr. Macdonald).

Mr. Benjamin: No way. Call it six o'clock.

Mr. Goodale: Only ten minutes remain in that debate. In view of our physical disability in going ahead with private members' business, I suggest that we would most expeditiously and efficiently use our time if we could continue and conclude discussion of the motion.

● (1700)

The Acting Speaker (Mr. Ethier): The House has been informed that we cannot proceed with private members' business. Does the House consent to the request of the parliamentary secretary?

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

[*Translation*]

Mr. Lachance: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Lafontaine-Rosemont on a point of order.

Mr. Lachance: Mr. Speaker, I would be ready, if need be, to proceed with motion No. 28, if you can put it to the House.

[*English*]

Mr. Knowles (Winnipeg North Centre): That is what we understood.

Mr. MacFarlane: No, that is not what you understood. You cannot expect something for nothing.

The Acting Speaker (Mr. Ethier): There is not unanimous consent that we do not proceed with private members' business, so we shall have to call the motions in order beginning with the motion in the name of the hon. member for Ottawa-Vanier (Mr. Gauthier).

Mr. Blais: On a point of order, Mr. Speaker, there has been an indication by the hon. member for Lafontaine-Rosemont (Mr. Lachance) that he would be ready to proceed with motion No. 28. While the House did not give consent to call it six o'clock, it surely did not refuse its consent to proceed with motion 28.

Mr. Baker (Grenville-Carleton): Perhaps I can help the Chair. The hon. member having indicated that he is ready to proceed, I do not think we should put any obstacles in the way of bringing his motion forward. I suggest we do not waste parliamentary time, but that we proceed as we have suggested.

Mr. Knowles (Winnipeg North Centre): Frankly, that is what I thought was going to happen. I am surprised the parliamentary secretary said nobody was ready, because we were told that the hon. member for Lafontaine-Rosemont (Mr. Lachance) was. We shall be glad to proceed with motion 28.

The Acting Speaker (Mr. Ethier): Does the House agree to proceed with motion 28?

Mr. Goodale: Yes, Mr. Speaker, but in view of the remarks which have just been made, I want to make it abundantly clear that the information which has been given to the House in the last two or three minutes by the last two or three speakers is definitely contrary to the information given to me earlier. If the hon. member is prepared to proceed now, that is desirable, but it is not in conformity with the information I obtained earlier.

Mr. Hnatyshyn: I did understand that the hon. member was prepared to proceed with item 28, but I was subsequently informed by the Parliamentary Secretary to the President of

the Privy Council (Mr. Goodale) that this was not the case. I had contacted spokesmen for the party to take part in the debate; I went to the trouble of doing that. But after hearing from the parliamentary secretary I informed them they would not be required to attend at this time. I wish these circumstances to be on record.

Mr. Reid: Since there is some dispute as to whether the House is prepared to proceed along certain lines, I wonder whether hon. members are prepared to take up my private member's bill C-1001. I think this is an ideal bill for us to debate since apparently all the members who wish to speak on it are in the House at the present time.

Mr. Baker (Grenville-Carleton): On with Lachance!

Mr. Peters: Mr. Speaker, if there cannot be agreement to take item 28, I suggest you follow the proper procedure and call the first and subsequent orders until you come to item 28.

The Acting Speaker (Mr. Ethier): Is it agreed that we stand all motions prior to motion 28?

Some hon. Members: Agreed.

Mr. Baker (Grenville-Carleton): Wonderful.

PRIVATE MEMBERS' MOTIONS

[*Translation*]

TRANSPORT

FINANCIAL STRUCTURE OF ST. LAWRENCE SEAWAY

Mr. Claude-André Lachance (Lafontaine-Rosemont) moved:

That, in the opinion of this House, the government should consider a revision of the financial structure of the St. Lawrence Seaway, by remitting the interest carried over to date, by converting the loans which were made into holdings owned by Canada, and at the same time make provision for an increase in Seaway toll rates sufficient to cover annual operation costs and current capital expenditures, and also to provide the government with a return on its investment.

He said: Mr. Speaker, I must confess that after all this confusion, it is somewhat difficult to gather one's thoughts and get into an argumentation on the subjet. Since I thought that the motion of the hon. member for Bellechasse (Mr. Lambert) would be called, I have had relatively little time to gather my thoughts. However, this subject has concerned me for some time. I remember, in particular, that last year the officials of the St. Lawrence Seaway Administration appeared before the Committee on Public Accounts and told something about their financial difficulties, especially in view of the somewhat peculiar financial structure of the St. Lawrence Seaway Administration and in particular in view of the decision made in 1970 by the American counterpart to our administration, that is the St. Lawrence Seaway Administration, American Section, to remit interest outstanding up to 1970 and also to transform into assets capital expenditures on the American side.

In fact, I think it might be appropriate to give the background of the St. Lawrence Seaway and the reasons which brought both government levels to sign an agreement in 1954-55 to build this seaway which, as everyone knows, joins the Atlantic ocean to the Great Lakes by way of the St. Lawrence itself. Indeed, before the inauguration of the seaway, it was extremely difficult to move goods by ship since the St. Lawrence River did not lend itself to it. Anyway, the Welland Canal had been in operation for many years, which allowed small boats and shallow draught steamships to navigate on the Niagara River.

• (1710)

But it was decided that it might be preferable to dig a canal so that larger freighters could go directly from the Atlantic ocean to the Great Lakes and particularly to Lake Michigan and Lake Superior to avoid the transfer of cargo at Montreal or Quebec City harbours into smaller vessels that could negotiate the St. Lawrence above Montreal where there is not much water.

This agreement was reached at the two levels of government—American and Canadian—and it was decided then that a first amount of $350 million would be lent to the Canadian St. Lawrence Seaway Authority to begin work. This first loan of $350 million was spent between 1953 and 1959 to dig and build locks and all the necessary facilities.

Yet, the interests were obviously capitalized when the seaway became operational and the St. Lawrence Seaway Authority was supposed to start paying those interests which amounted to some $65 million.

We should not forget that when traffic projections and toll schedules were established initially the seaway was to be largely profitable and it was expected that it would repay the interest on the original loan and also the invested capital. Anyway, the Canadian government has always considered that this capital which has been, in the last seven years, invested in capital expenditures or real estate, was a liability, therefore an account receivable which has been left, in spite of several recommendations from several committees and directors of the seaway, in the liabilities of the seaway and therefore as an account receivable for the Canadian government.

Unfortunately we should recall that the initial forecasts as concerns the increase in seaway traffic, inflation, inflationary pressures which have, of course, affected the operations of the seaway, wages, and so on, have prevented the initial forecasts from becoming reality and we realized later that in spite of surpluses in its every day operations and the fact that it repaid regularly the interest, the seaway would never be able to refund the initial loan which was of $350 million as I said.

We must also remember that to accommodate larger freighters we had to invest up to $185 million to renovate the old Welland Canal, dredge it and develop existing facilities. Consequently, out of the total present debt of the St. Lawrence Seaway, $817 million, we must realize that about $500 million

are investments, holdings, real estate—locks, wharves, buildings, all the equipment necessary to the daily operations of the seaway—and the rest, about $318 million, are the accruing interests up to this day.

We must also remember that, as a joint American-Canadian commission is seeing to the enforcement of toll rates, the tolls can be increased only if there is a consensus between the two levels of government. Twice between 1960 and 1970, in 1964 and in 1967, studies showed that, because of inflation, the toll rates had to be re-examined and that an increase should be considered.

Unfortunately, both times the two levels of government could not reach a consensus and the rates stayed at their former level. On the other hand, in 1971 the Carr report made two main recommendations aiming first at a 10 per cent increase in the toll rates and the prescribed rates and at a reorganization of the financial and accounting systems of the St. Lawrence Seaway.

We must also remember that in 1970, as a result of similar problems faced by the American authority of the St. Lawrence Seaway, the American government had taken a momentous decision concerning the financial structure of their seaway authority. They had decided more particularly to capitalize capital expenditures already made. Evidently those expenditures were lower on the American side since they have only two locks. Nevertheless they decided to put what was considered as accounts receivable among the fixed assets of the American government.

On one hand, since interests were regularly accruing, they decided to pay off the entire debt and on the other hand, to provide that the American authority of the St. Lawrence Seaway should pay each year a fixed amount to reimburse the floating debt. Consequently the American sector now enjoys an extremely healthful financial condition and each year with its operating surplus it pays off the interests. On the other hand, its decision was not taken in spite of the urgent and pressing requests of various directors. I am thinking in particular of Messrs. Camu and Laurendeau. I could not speak for Mr. Chevrier, but in the annual report of the St. Lawrence Seaway Authority for 1975, it was clearly indicated that he suggested precisely what is provided for in my motion, namely, and I quote from memory: "... to remit the interest carried over and convert the loans which were made into holdings owned by Canada, and at the same time, make provision for an increase in Seaway toll rates sufficient to cover annual operation costs and current capital expenditures, and also to provide the government with a return on its investment."

As a matter of fact, the Canadian government did not follow up this matter for a very simple reason: because it is in the process of restructuring the main public corporations involved in transportation. I am thinking in particular of a bill which is now before the House concerning Air Canada and the CNR. The situations are somewhat similar in that the capital expenditures of those two corporations will eventually be converted into holdings owned by Canada and will no longer be accounts receivable. As a matter of fact, it is merely an accounting fiction. It is now obvious that the St. Lawrence Seaway will not be able to meet its initial commitments, that it will not be in a position to repay the outstanding debt which now amounts to the astronomical amount of $819 million, that it will not even be able to repay the interests due, because it has not even been in position for three years now to cover its operation costs.

I have here the estimates for 1976-77, and the estimated revenues are $26.5 million while the estimated expenditures amount to about $36.5 million, for a $10 million deficit. This does not include the interest due for 1976-77 which amounts to $45 million. There is no question whatever of reimbursing one penny of the interests due, which means that the government will have to continue the fictional financing of the St. Lawrence Seaway since it is the creditor and loans and interests due are not recoverable through the seaway operations.

In fact, Mr. Speaker, my explanation might give the impression that the St. Lawrence Seaway is in a very unsound financial position and is not viable. In my opinion, it is a misleading conception of the situation. In fact, it is not possible to simply assess the St. Lawrence Seaway strictly in relation to its operation costs or its capital costs since it represents an asset, a tremendous economic advantage for Canada, providing a very convenient means of transportation for freight traffic between the Atlantic Ocean and the Great Lakes.

In any event, the tonnage keeps increasing ever since 1959, that is since the opening of the seaway and it is expected that this tonnage increase will continue during the next 15 years, at an average rate of about 2.5 per cent. In fact, Mr. Speaker, this tonnage passed from an average of 12 million tons during the years just before the opening of the seaway in 1959 to 57.6 million tons in 1973, a record year so far. In fact the increase in the Welland Canal itself is still more significant because similar increases pushed traffic up to 67.2 million tons in 1973.

Since then the Seaway Authority had all sorts of problems beyond its control: strikes, bad weather, problems in grain transportation; in short, things have improved gradually, the situation now seems better and the administrators are extremely confident that the increase will continue during the next 15 years.

In conclusion, Mr. Speaker, it is good to underline the great economic value of the St. Lawrence Seaway. It is worth just mentioning that the overall value of products carried through the seaway system was estimated at approximately $6 billion. Of course, this amount does not include the indirect benefits accruing to the shippers, the cost of commodities to the consumer and, of course, the expansion of international trade for Canada.

Mr. Speaker, I shall try to be brief but I simply want to explain to what extent it would be possible for the government of Canada to give back to the St. Lawrence Seaway a sound financial structure, which can be done without spending a single cent. It is strictly a bookkeeping operation similar to what the U.S. government did in 1970. As the directors of the St. Lawrence Seaway said themselves before the Committee

on Public Accounts, and this is the wording of my motion, Mr. Speaker, we would simply have to remit the interest carried over to date, namely about $318 million, and to convert the loans which were made originally, namely $500 million—$350 million for the St. Lawrence Seaway itself and about $200 million for the administration of the Welland Canal—into holdings owned by Canada, and at the same time—and this is for the past—put an end, once and for all, to the difficult situation in which they find themselves and provide for the future an increase in the seaway tolls sufficient to meet operating costs, for, as I said a while ago, this year the operating deficit will amount to some $10 million while, naturally, enabling the government, if the administration becomes sound, to make a return on its investments.

Mr. Speaker, I know this matter has been of concern to the government for some time now, and that it has been the subject of many a study. It must be understood that, though this is an accounting operation, it also fits within the wider context of the financial restructuration of the big state-owned transport companies. As I said before, the Minister of Transport (Mr. Lang) tabled a bill in the House whose aim is precisely the organization of the financial activities of the CN and Air Canada. I feel it would be indicated to integrate the St. Lawrence Seaway into that policy; that would enable the seaway to have firm objectives in the future, and of course, it would reassure its users who really do not know what to expect, and I don't blame them. In fact, that may be one of the main problems of the St. Lawrence Seaway in view of its precarious financial situation; and there again, this in a fictitious way, since the Canadian government, in the final analysis, must finance it and cover its expenses, while the users, who do not know where they stand cannot really plan their future activities.

I therefore advocate, strictly, in my motion, a reorganization that is long past due, a reorganization that has proved itself in the American equivalent of the St. Lawrence Seaway, through namely, the remission of interest and capitalization of fixed assets; to allow the administrators in the future to make better plans for their financial activities, investments and capital expenditures, so that they can really do the job they are paid for, that is administrate a business which is highly vital, economically fundamental for the prosperity of eastern Canada, particularly for Ontario and Quebec, and also of course for the Maritimes. This business is also highly vital for western Canada since it allows grain from this region to be transported directly without having to pass through costly intermediaries en route to foreign markets. In short, Mr. Speaker, this is an operation which is needed and I strongly urge the House to accept this motion and recommend this restructuration.

● (1720)

[*English*]

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I rise to take part in the debate on this very important resolution. It is very current to our problems. This nation stretches some 4,500 miles across the breadth of the North American continent. We are in keen competition with our trading partner to the south and the rest of the industrial free world. We are in keen competition in the movement of raw materials and minerals to the third world countries. As far as our competitive position is concerned, more and more people are concluding that we are not able to compete with our major competitors in many ways. In analysing our own economy we can readily see that we have built up our costs. This has placed us in a very difficult non-competitive position with much of the free world, including our major competitor the United States. Transportation is a key factor. Transportation of goods for export and within Canada for consumption plays a part in the total cost, whether we are buying or selling a commodity, of our efforts to provide jobs and a standard of living comparable to what is expected.

The development of the United States was handled somewhat differently than our own. Their core of government engineers designed and built much of their transportation system. I think of their waterways in particular. The Mississippi is a tremendous waterway, providing cheap transportation for much of their export goods as well as those consumed in the United States. Their core of engineers deepened, broadened and extended the Columbia River to the point where tugboats and barges can move coal, grain and lumber a long way inland. There is no question about the cost of developing their waterways. They felt that by developing the Mississippi, Columbia and Ohio rivers, as well as many other river systems, they were building their country. There was no question of charging it all back and paying for it. This is one of our faults in Canada.

I can readily accept the first part of this resolution. However, I absolutely oppose the second part. It is time for the federal government to play a role in building this country, making the facilities available to all Canadians no matter whether they live in central Canada, western Canada or eastern Canada. In other countries the waterways have proven to be a major competitive vehicle in getting their products to the export market as well as distributing them within the country. This resolution suggests that everything should be paid back to the federal government. We have been obsessed with the idea of paying back to the federal government. It is the duty of the federal government to build this country so that Canadians can find jobs competitive with those around the world.

This is a great country, with a great potential. The shipping industry is one of those great potentials. We have talked about an industrial policy for years. What has this country launched upon? It launched its industrial policy upon an air industry. We do not have a large enough market to sustain the air industry in which this government has invested. It may be terrible to say that, but it is true.

We cannot compete with the air policy of the United States. France and Great Britain had great difficulty maintaining their air industries. However, there are some industries that lend themselves well to industrial policy. The shipping industry is one of those. We have, if not the longest coastline in the

world, certainly the second longest. There is great potential in our inland waterways. However, what do we see? There is discouragement with regard to our waterways. There is hesitancy and reluctance to make use of our natural shipping lanes and coastal lines. One aspect of our industrial policy should be the shipping industry. It should be encouraged, not discouraged. The railway industry is another. It, too, lends itself to this philosophy because of the great breadth of this country. It would complement an industrial policy.

● (1730)

What does this resolution suggest, particularly in its last part? It states the following:

... by converting the loans which were made into holdings owned by Canada, and at the same time make provision for an increase in Seaway toll rates sufficient to cover annual operation costs—

I think they should be sufficient to cover annual operating costs, and I do not object to that. It goes on:

—and current capital expenditures, and also to provide the government with a return on its investment.

This is the point I wonder about: are we as a government investing in Canada to have a return on our investment in so many dollars and cents, or will that return come to Canada indirectly? That is the question which we, as legislators, have to ask ourselves. Will we be satisfied to have that return come back to us indirectly, not directly as this motion suggests? I say that in the long run we, as Canadians, must be prepared to say we are satisfied with that return coming back to us indirectly, and we are confident that it will if we provide the vehicle or the avenue, whatever you want to call the St. Lawrence Seaway, for Canadian products to enter world markets.

What will the doubling of the St. Lawrence Seaway tolls do, and what will the doubling of the fees on the Welland canal do to the shipping industry on the St. Lawrence Seaway? I have here an article which appeared in the *Globe and Mail* on June 24, 1976, which reads as follows:

Federal proposals to increase tolls on the Welland canal would double the fees for many vessels moving through the Seaway system—

I want to stop here and make the point that everybody in the House and in Canada knows that vessels using the St. Lawrence Seaway are mainly Canadian vessels manned by Canadian sailors. By doubling the tolls we will be making those Canadians ships less competitive with their counterparts on the ocean lanes. The article goes on to read:

—the twenty-eighth annual Conference of the Canadian Water Resources Association in Toronto has been told.

John MacDonald, chairman of the Great Lakes Waterways Development Association, said in a speech prepared for delivery to the conference that the proposals would decrease the use of the Seaway and seriously affect the interests of western Canada.

"We are told that Ottawa intends to charge for use of the Welland the same tolls on bulk cargo as those now prevailing on the international Seaway," he said.

A group of people who have studied the St. Lawrence Seaway want to see it used to a greater extent than it is today. What would that do to Canadian ships? It would mean more jobs for Canadians. If we did not increase the tolls, it would make Canadian goods more competitive with other goods in world trade, and it should make foreign goods in Canada cheaper for the Canadian consumer.

In my view it would be logical and it would make good sense for the government to say to the St. Lawrence Seaway Authority, "We believe that you should charge tolls which would allow you to cover your costs of operation, but we do not expect you to pay an increase on the money we, as the Canadian government, have paid in the building of the St. Lawrence Seaway". I think that is a fundamental point.

The Minister of Transport (Mr. Lang) once said in the House of Commons that this would allow Americans to use the Seaway free of charge. I want to make the point that the Americans use the Mississippi and they use the Columbia. They have a tremendous network of inland waterways which assist that nation in moving its products to export, and around its own country for internal trade. These waterways are the cheapest form of transportation that a country has. They are our cheapest form of transportation.

Some 50 per cent or 60 per cent of tonnage on the St. Lawrence Seaway is made up of western grain, but the major portion of the remaining cargo is made up of iron ore which is made into steel, and steel means good jobs. Today steel in world trade is a very competitive commodity. Steel mills in central Canada are in keen competition with Japanese and American steel mills. The steel mill and plant operating on the east coast is in keen competition with steel mills in the United States and in central Canada. Yet we have before us a resolution which will increase the cost of doing business in this country.

There may come a day when we will say that we should pool a little money to build an additional waterway, and that perhaps the Seaway could pay a little bit back so that we will build an extension of the Seaway and deepen and lengthen the locks. Perhaps some time in the future when we place ourselves in a competitive position in world trade we will be able to do that, but I say to the House that now is not the time. We are in severe competition with other countries; there is a tremendous growth in unemployment in Canada and economists say that 1977 will be a difficult year. Also, cargo on the Seaway is carried solely on Canadian ships. The men who man the ships on the Seaway are Canadians.

The doubling of the tolls, even on the Welland canal, as the Canadian Water Resources Association stated in Toronto last year, may well double the costs of many vessels moving on the St. Lawrence Seaway. This would place us in a more difficult position than the one in which we find ourselves. In the remaining portion of the 1970's Canada will remain in keen competition with other nations, so now is not the time to adopt this resolution, particularly its latter half.

There is only one other point that I wish to make, and I think I would be remiss if I did not make it. If we double the tolls on the Welland canal unilaterally, we can expect some retaliation from the United States which might come in many different ways. For example, they could double their tolls on the Sault Ste. Marie locks. This would be detrimental to

Canadian shipping and would add to the cost of moving grain and other products through the St. Lawrence Seaway.

In 1976 we took action with regard to the beef industry which we in this party said would bring retaliation, but we were scoffed at. However, retaliation did come in one form or another. One only had to listen to the former U.S. secretary of agriculture, Mr. Butz, speak in Saskatoon a month ago to realize that retaliation was thought about and talked about by the United States government. Retaliation does take place, but whether it is visible and clearly seen by all is another thing. If we unilaterally double the tolls on the locks of the Welland canal we will be asking for retaliation. If we increase the tolls on the St. Lawrence Seaway, we will only hurt ourselves in the long run.

● (1740)

We are making Canada less competitive and creating more unemployment, not just in the shipping industry, as I mentioned before, but also in the manufacturing industry, which wants to get its products out into that shipping lane. To put it bluntly, we are creating less revenue for the farmers of western Canada, and anyone who knows anything about western Canadian farmers knows that when they have a dollar they spend two to buy equipment which is manufactured in central Canada.

We turn off the whole economy with what I call this search for additional revenue, which is a method of taxation. That is really what the resolution means to me. It is a search for additional revenue by a money hungry government which already spent far more than it should have spent in 1974, 1975 and 1976. I would like to see the government reduce its demands for additional revenue for 1977, not search for more ways to raise revenues. I would like to see the government reduce the rabid expenditures which have taken place in recent years which have harmed the Canadian economy and which have helped to put us all into a very difficult competitive position. By adopting this resolution we would only find ourselves in a worse competitive position.

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, after listening to the hon. member who moved this resolution and to the most recent speaker, I have a few things to say about the general effects of the resolution, but I want to speak mainly about the Welland Canal. My constituency covers a good half of it, the important southern end. The hon. member for Crowfoot (Mr. Horner) was expounding on government expenditures. He should remember that we have cut down expenditures in every government department. That has been going on for well over a year, so I think his remarks can be overlooked because they are not very accurate.

As far as the Welland Canal is concerned, I do not think the remarks of the hon. member were correct on that either. For the last four years I have been talking about this with my constituents, and also with the members of the St. Lawrence Seaway Authority. We cannot by any means say that all the ships and sailors on the St. Lawrence Seaway going through the Welland Canal are Canadians. There is a huge number of salties. There is a fair number of American ships, and many Canadian ones.

What is carried through the Welland Canal which mainly affects Canada? It is mainly coal from the Lake Erie ports on the United States side, and iron, both from Thunder Bay and from Pennsylvania, but mainly from Thunder Bay and the north shore. Where do they go? They go to Hamilton. They supply the steel companies there, Dofasco and Stelco. A considerable amount of grain is shipped several times a year in large quantities, but a great amount of grain is shipped past us to Toronto, to Montreal and to Maritime ports by rail. When we talk about increasing the tolls and about the cost of shipments through the Welland Canal, we are really talking about so many cents per ton of coal. According to the Seaway Authority, it decided to apply four cents to the cost of shipping each ton of coal. I think some people do not remember how much the price of coal has gone up. It costs about $52 or more per ton, and four cents on $52 is very little.

With regard to steel, the same logic applies. A few cents on a ton of iron ore do not affect the competitiveness of our Canadian manufacturing firms at all. Similarly, the very few cents added to the cost per bushel of transporting wheat is almost negligible, and we have no trouble disposing of our wheat. In fact recently we sold another huge order to China.

Mr. Kempling: It won't go through the Seaway.

Mr. Railton: Hon. members must realize that increasing the tolls at the Welland Canal to cover annual operating costs will not affect our economy. I think the hon. member for Crowfoot is right: we will have to absorb the capital costs and the interest debt. That is only sensible; but on the other hand I do not think we should go on crying about the raising of tolls. It is the only sensible thing to do. Naturally we would limit the increase to the amount required to cover the annual cost of operation.

There are many other people who would like to say a few words in this debate. I would like to go on and talk about the rest of the Seaway, the fact that it is an international waterway and that sort of thing, but I cannot cover all that. I think we have to give other hon. members a chance to speak too.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, my party has long taken the position that something like the St. Lawrence Seaway is a public work for the national good. It is a part of a national transportation system which benefits the nation as a whole. In fact it is an instrument of national policy. I want to tell the hon. member who moved this resolution that at least one part of his resolution would discriminate further against producers, shippers and exporters in different parts of the country because of where they happen to live, our geography and our climate.

I think there is no disagreement that the debt, and the interest thereon of the St. Lawrence Seaway Authority should be taken over by the government of Canada. That would signify the total public ownership of the St. Lawrence Seaway,

and the cost of that debt should be born by the nation as a whole and not just by the users. I hope there is little or no argument about that concept anywhere in this House, and I hope my good friends on the government side will remind the Minister of Transport (Mr. Lang) that this is one area where his idea of user pay should not be allowed to take effect.

I want to remind the hon. member who moved this resolution that making provision for an increase in Seaway toll rates sufficient to cover annual operation costs and current capital expenditures is just not acceptable. Current and future capital cost expenditures should be borne by the government.

I see some inconsistency in this resolution. Current and future capital cost expenditures should be borne by the nation as a whole, just as the hon. member proposes in the earlier part of his resolution, but original capital costs and interest debts should also be assumed by the country as a whole. I do not know how the hon. member can have it both ways. Providing the government with a return on its investment is just nonsense. Something which is a public utility and a requirement is an asset to the nation as a whole. I do not know of any town, village or city looking for returns on their investments in sewer systems, water systems and highways. The St. Lawrence Seaway falls into the same category.

The last point in the resolution is totally unacceptable to most people in this country. The St. Lawrence Seaway is one of the main transportation routes in our nation. It is a benefit. The nation as a whole shares the cost. The nation as a whole can and should carry the cost of transportation in every part of the nation and in whatever form, whether ferries and causeways in the Atlantic provinces, a waterway like the St. Lawrence Seaway, or ports like Churchill and Prince Rupert. If these are to be operated not only on the basis of paying the costs of operation but recovering the cost of all capital, interest, and a return on investment, only the rich could travel. We would export little and we would have trouble importing because people would not be able to pay the price of goods.

● (1750)

Surely the fact that ships are energy efficient means that we should promote greater use of them in this country. Grain producers must have low cost water transportation if we are to remain in competitition with other grain exporting nations.

In his remarks the hon. member for Crowfoot (Mr. Horner) spoke of doubling the tolls. An article which appeared in the Halifax *Chronicle Herald* on June 4 last reported Mr. Paul Normandeau, president of the St. Lawrence Seaway Authority, as telling the Public Accounts Committee that tolls would have to be five times higher than their existing levels in order to put the St. Lawrence Seaway on a paying basis. Now my hon. friend would have us accept a resolution that would not only put it on a paying basis but would give the government a return on its investment. There is no way we can accept that, Mr. Speaker.

I would remind hon. members that Canadian cargoes move toll free through the United States locks at Sault Ste. Marie. I agree with the hon. member for Crowfoot that if we were to increase our tolls there would of course be retaliatory action. This would be bound to have an effect on Alberta coal moving to Ontario. I suggest that the hon. member for Welland (Mr. Railton) check with Ontario Hydro and Ontario consumers to see how they would like that. It also means that grain shipments, about ten million tons a year, could be diverted to United States ports.

This is a public utility and it could operate at cost to the user. The capital cost and interest cost should be assumed by the nation as a whole. Those who advocate it should operate with a return on investment to the government should remember that the government is the people of Canada. This facility is meant to function for the welfare of the people of Canada, as are a lot of other facilities.

My hon. friend across the way speaks of international shipping. How many international ships would use the St. Lawrence Seaway if these tolls were imposed? They would use United States ports.

The Canadian Federation of Agriculture represents agriculture from the Atlantic to the Pacific. In a brief submitted to the government last September, the federation opposed any increase in the tolls although they supported that part of the hon. member's resolution which proposes the government should take over interest charges. Their brief reminds us that the United States government absolved those responsible for their portion of the St. Lawrence Seaway of all past, present and future capital and interest costs. It would seem to me we can do no less.

The brief also had this to say:

> The Canadian Federation of Agriculture opposes any increase in tolls on the St. Lawrence Seaway, and further recommends that the capital debt and interest accumulated thereon be assumed by the Government of Canada.

The interest and debt amounts to something over $800 million, Mr. Speaker.

An hon. Member: Do you subscribe to that?

Mr. Benjamin: The same thing should be applied to the CNR debt.

An hon. Member: Why?

Mr. Benjamin: Because it is a public utility. The government of Canada should pick up all those bonds, pay out the bond lenders, and stop the taxpayers being pressured by those who collect the interest. Hon. members should look at the CNR financial statements as well as at those of the St. Lawrence Seaway. The Canadian Federation of Agriculture brief claims that a toll charge high enough to cover annual operating costs, the future recovery of capital costs and accumulated debts, even amortized over 50 years, would be intolerably high.

There is another matter, Mr. Speaker. The problem is not only the effect this would have on our competitive position in the export of grain but on the hauling of iron ore. If the hon. member for Welland thinks that a lot of that would not be

diverted by using other means and other routes, he is kidding himself. An increase in tolls would encourage that to happen.

Mr. Railton: On a point of order, Mr. Speaker, I have been misquoted by the hon. member in two statements—one about the recent statement and the other about costs.

The Acting Speaker (Mr. Ethier): Order, please. I have difficulty recognizing that as a point of order. It is mostly a point of debate and argumentative.

It being six o'clock, and the hour appointed for private members' business having expired, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

BILL C-22—MOTION UNDER S.O. 75C

The House resumed consideration of the motion of Mr. Macdonald (Rosedale):

That in relation to Bill C-22, an act to amend the statute law relating to income tax, eight hours shall be allotted to the further consideration in committee of the whole stage of the said bill;

That, at the end of the eighth such hour, any proceeding before the committee shall be interrupted, if required, for the purpose of this order and, in turn, every question then necessary in order to dispose of the committee of the whole stage of the said bill, shall be put forthwith and successively, without further debate or amendment.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, it seems to me that if the government moves anything as horrendous—that is the correct word—as a closure motion, it ought to have some justification for it, and the justification which has been put forward by spokesmen for the government is that until Bill C-22 passes income tax rebates in 1976 cannot be processed.

It is important to consider statistics. They show that the taxation division of the Department of National Revenue normally processes 3 per cent of all tax returns by the end of March, and we say that this bill would pass by then in any event. More significantly, we argue that certain rebates can be made within the authority of legislation passed so far. After all, Bill C-21 to do with the excise tax deals with sales tax exemptions which relate to the same May, 1976, budget.

As I said when speaking about tax returns, on average only 3 per cent of all such returns are processed by mid-March, only 20.2 per cent of the total are processed by mid-April, and 36 per cent by mid-June. Not until mid-August will, say, 92.3 per cent of all tax returns have been processed.

[Mr. Benjamin.]

My party has shown strong determination in opposing passage of this measure; unfortunately, since there are only 16 of us in the House of Commons it is most unlikely that we could hold up this legislation, much as we are determined to try, long enough to interfere significantly with the processing of tax returns. I therefore suggest that the government is being less than honest with Canadians when it says that it must impose closure in order to help the taxpayer, particularly the little taxpayer.

I have had a number of letters from irate citizens who have at least $11,000 tucked away in savings. They are angry with me for opposing this bill. They want to add to their savings and they do not want to pay taxes.

I say that the government is not justified in bringing in closure. Its two grounds for the motion, namely, that passage of the bill is necessary because it will help certain people and that it cannot pay rebates unless the bill passes, are without foundation. Therefore, it is scarcely justified in moving the closure motion. I think the government should be thoroughly ashamed of itself for the less than honest manner in which it has placed this matter before the country.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we oppose this motion. We believe firmly that the use of closure is the wrong way to run a democratic parliament. I agree with the remarks made by one or two members this afternoon on the government side of the House, that we must find ways to apportion our time and use it sensibly as among various kinds of legislation. Some pieces of legislation are important and deserve considerable debating time; some are unimportant and ought to be dealt with quickly.

What bothers me about the present method of using closure is that it is a case of giving in to the idea that there is no way to work out our timing arrangements on a sensible basis. Therefore every time we use closure we put off the day when we shall find a better way. So, Mr. Speaker, because we think it is wrong to apply closure to a bill as contentious as this one, and because we think that the use of the closure rule delays the finding of a better and more co-operative way to run the House of Commons, we strongly oppose this motion. I say this as one who has often advocated a sensible apportionment and allocation of our time. I think it can be done. I think we can start a session with a clear indication of what is to come before the House, and with an agreement as to which measures are important and deserve debating time, and which measures can be dealt with quickly. But so long as we have a government which refuses to give us the session's program in advance and relies on the present ad hoc, helter-skelter way of doing things, we shall have a parliament which does not deal with its business in a business-like and appropriate way.

As a member of this House I have seen a good many applications of the closure rule—the old one as well as the new one—and I can say that every time it is used it creates feelings of ill will; and, worse, this procedure prevents us from working out a sensible way to deal with the business of the House of Commons.

The Acting Speaker (Mr. Ethier): Order, please. It being 8.11 o'clock p.m., the two hours provided for the consideration of the motion now before the House under the provisions of Standing Order 75C have expired. Accordingly, under the terms of that standing order, it is my duty to interrupt the proceedings and put every question necessary to dispose of the motion.

Hon. members have heard the terms of the motion. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Call in the members.

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

(*Division No. 17*)

YEAS

Messrs.

Abbott
Allmand
Anderson
Andras
(Port Arthur)
Basford
Béchard
Bégin (Miss)
Blais
Blouin
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Caron
Chrétien
Clermont
Collenette
Corbin
Corriveau
Cullen
Cyr
Danson
Daudlin
De Bané
Demers
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Drury
Dupont
Dupras
Duquet
Ethier
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Harquail
Herbert
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lalonde
Landers
Lang
Langlois
Lapointe
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Macdonald
(Rosedale)
MacEachen
MacFarlane
Maine
Marceau
Marchand
Martin
McIsaac
McRae
Milne
Munro
(Hamilton East)
Nicholson (Miss)
O'Connell
Ouellet
Parent
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Railton
Reid
Roberts
Rompkey
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Stanbury
Stewart
(Cochrane)
Stollery
Tessier
Trudeau
Turner
Watson
Whelan
Young—110.

NAYS

Messrs.

Alexander
Baker
(Grenville-Carleton)
Baldwin
Benjamin
Brisco
Broadbent
Caouette
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Darling
Dick
Dinsdale
Dionne
(Kamouraska)
Douglas
(Nanaimo-Cowichan-The Islands)
Epp
Fairweather
Firth
Friesen
Gauthier
(Roberval)
Gillies
Hamilton
(Qu'Appelle-Moose Mountain)
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Horner
Howie
Johnston
Kempling
Knowles
(Winnipeg North Centre)
Knowles
(Norfolk-Haldimand)
Korchinski
Laprise
La Salle
Leggatt
MacDonald
(Egmont)
MacKay
Masniuk
Mazankowski
McCleave
McGrath
McKinley
McKinnon
Mitges
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nystrom
Orlikow
O'Sullivan
Patterson
Peters
Pigott (Mrs.)
Ritchie
Saltsman
Schumacher
Stanfield
Stewart
(Marquette)
Towers
Whiteway
Whittaker—64.

● (2040)

Mr. Speaker: I therefore declare the motion carried.

* * *

MEASURE TO AMEND

The House resumed from Monday, December 20, 1976, consideration in committee of Bill C-22, to amend the statute law relating to income tax—Mr. Macdonald (Rosedale)—Mr. Ethier in the chair.

The Assistant Deputy Chairman: Order, please. House again in committee of the whole on Bill C-22, an act to amend the statute law relating to income tax.

[*Translation*]

When the committee rose on Monday, December 20, 1976, we were on clause 16 of the bill.

[*English*]

Shall Clause 16 carry?

Some hon. Members: Agreed.

Clause agreed to.

Clause 17 agreed to.

On Clause 18.

Mr. Saltsman: Mr. Chairman, before going on with this clause, I would like an explanation from the minister.

An hon. Member: His officials are not here yet.

Mr. Saltsman: We have lots of time.

Mr. Macdonald (Rosedale): Mr. Chairman, under the provisions of the Judges Act, when all individuals to whom an annuity could be granted upon the death of a federal judge have themselves died or ceased to be eligible for annuity, the judge himself becomes eligible to receive a lump sum payment which represents a return of pension contribution which has been made to the Consolidated Revenue Fund.

At present a taxpayer may purchase an income averaging annuity in respect of any lump sum pension payment which he receives upon his withdrawal or retirement from employment. This amendment extends the privilege of forward averaging to federal judges who receive a lump sum pension payment as described above. Because such a payment is made at a time other than the time the judge withdraws or retires from his judgeship, this amendment is necessary.

● (2050)

Clause agreed to.

Clauses 19 and 20 inclusive agreed to.

On clause 21.

Mr. Saltsman: Mr. Chairman, this is one of the clauses to which we take exception in terms of the disproportionate benefits it provides to some people in comparison with others. I have a table which I would like to read in connection with how the benefits occur with regard to child care expenses. In considering child care expenses we find that there are many tables here dealing with who benefits and who does not. There is a table in conjunction with registered retirement savings plans and child care for two children. If income is $10,000, the saving is $210. The disability deduction, which is one of the highly touted aspects of this bill, is $275. We are not complaining that these savings at that income level should not take place, but if we go on to higher incomes, for example, $50,000, the saving is doubled. In the case of a registered pension plan the saving is $430. In the case of an RRSP the saving is $645.

Using that income, in the case of child care where two children are involved the saving is doubled. The saving is $430. It seems to me that these things should be organized in such a way that the saving is equal. If in fact the saving is to be $210 at the $10,000 level for the registered pension plan, or $210 in the case of the child care plan, it should be the same for everyone right across the board, and we object to the fact that the saving is larger with higher incomes. That is the feature all the way through the various aspects of the bill which we find so offensive.

Mr. Macdonald (Rosedale): This is a point about which the hon. member's colleagues have been making a great deal. The response is that on the other hand the tax payable at the various levels indicated is upped as income is progressively greater. It is true that there is a larger reduction in tax as you go up the income scale. On the other hand, there is a very much greater absolute tax payable.

Mr. Saltsman: This is the kind of thing we hear when we talk about progressive income tax in this country. They say lower the rates because they are too onerous. Then the minister comes along and says that we have a progressive income tax, and look what the rates are. What we are saying is that this is only one example. There are many more examples which we have put forward. Every time a deduction is introduced which makes it possible for people with higher incomes to get greater benefits from registered retirement savings plans, child care deductions and even disability deductions, the progressiveness of the income tax system is reduced. This is what is being done all along in our income tax system as a result of these various deductions. In fact the system is not nearly as progressive as the minister makes it out to be.

Mr. Macdonald (Rosedale): I just have to point out to the hon. gentleman that the percentage change remains the same all the way up.

Mr. Peters: Mr. Chairman, what is the argument of the government against a tax credit arrangement? The minister says that the percentage remains the same all the way up. That is true, but the amount does not remain the same all the way up. In some cases the amount is considerably more than in others. If we were to use a tax credit out of tax payable and if we set a fixed sum, that would be the amount of a child care deduction. It would be an actual amount. It would apply to the rich the same as it would to the poor. It seems to me that when we do things on a sliding basis, that means that at the high end those who need it least get the greatest advantage, and this has to be paid by everyone. That is the amount the government does not get in taxes. Therefore everyone pays it, and those who need it most do not get the most advantage out of it. If this were calculated on the basis of a delayed tax, a deferred tax, or a tax which would be set at a fixed amount and the amount payable from the income tax were taken off, then this would be fair and it would also be in proportion to need.

Using the amount of $300 as an example, this sum would represent a higher proportionate amount to the poor than it would to the rich. It would be a very small proportion of the taxable income of those earning $20,000. In fact, it might cost them money because it would become income. On the other hand, at the lower end it would have quite an influence because it would be deducted directly from tax.

I would be interested to know why the Minister of Finance has not given some consideration to this more equitable proposal. It is being used now in Ontario with regard to the Ontario proportion of income tax both for the elderly and for farm properties. Both of them are in the form of a deferred tax. I see no reason why we should not at least consider this, because the minister must agree that what we are doing in each of these instances is providing a great deal more benefit at the top end of the tax structure than we are at the bottom. Every dollar deducted at the top end is considerably more—

[The Assistant Deputy Chairman.]

four or five, depending on the degree—than it is at the low end, and if we want to provide child care where it is needed so desperately, we should provide it to people with lower incomes.

Under this scheme the advantages seem to flow unequally to the top end. The rich get richer and the poor get poorer, and this will continue to happen. While it is true that it is equal on a percentage basis, it is not truly equal. It is like saying we all have an equal opportunity, but some of us were born in more favourable circumstances than others.

An hon. Member: Oh, oh!

• (2100)

Mr. Peters: The hon. member who is speaking from his seat is not necessarily equal. He may have less intelligence than most but we give him equal opportunity in this tax structure. I think it is not equal, however, and we should be starting to provide opportunity on an equal basis.

Mr. Macdonald (Rosedale): Mr. Chairman, in percentage terms it is equal. There is an inequality in the income tax structure but it is in the upper bracket, not the lower bracket. In percentage and absolute terms, the more you get the more you pay. This is done by way of deduction rather than giving a tax credit. It is regarded as a deduction available for certain people in the work force—primarily women, but also a single parent man. In order to earn income, if these people have dependent children they have to make arrangements for day care facilities. In that sense it is regarded as a sum expended for family purposes so that the taxpayer may be free to earn income.

Mr. Peters: Would the minister not agree that where we are setting up day care centres as are other segments of government, which are usually operated in a community structure where it is absolutely necessary to have this kind of care so that family may have enough money to get by on, that the need becomes greater at the low end of the income scale rather than the top end? The minister is correct in saying it is a progressive tax structure and that the rich pay more than the poor on a percentage basis, but would he not agree that there is more left over at the top end than at the bottom end?

In the example given to us, suppose the child care deduction were eliminated and replaced by a tax credit of $350 per child, for the woman whose earned income was $6,000 this would mean a $93 reduction in her tax bill. Instead of the $257 tax saving she now receives from the deduction, she would have her taxes reduced by $350, a difference of $93. The $20,000 a year woman would have her tax bill increase by $30 since the present tax deduction gives her a saving of $380, but the credit would only give her a saving of $350.

It seems to me we are interested in the low end of the scale particularly in those subsidized communities where a large percentage of people depend on two incomes and even the combined income is not very high. The tax credit would bring more relief on a percentage basis than it would the person at the top end of the scale, no matter what the physical amounts were. I think everyone will agree that if we keep on with the structure we now have, the difference in the standards of living between those at the low end of the scale and those at the top will become greater. It may still be true to say that the percentage the government gets back from the tax structure is much higher at the top end than at the bottom, but the actual amount of money is not higher at the top than the bottom. It is much lower.

Mr. Orlikow: Mr. Chairman, as indicated by my colleague, the hon. member for Waterloo-Cambridge, the minister seems to be arguing the case that income tax is set up in a progressive way so that the higher the income, the higher the percentage of tax. That is theoretically true, but every special provision we put into the act, such as this one, is another step toward destroying the very progressivity about which the minister spoke so favourably.

What do we see when we look at the child care provision? A large number of married women in Ottawa work, and I am sure every member knows some of them who have quite high qualifications. According to the income tax tables for this year, those who make between $20,000 and $25,000 per year will be taxed at 31 per cent on their taxable income. The minister is now proposing that $1,000 spent on child care should be exempt from income tax, which means that such a woman will save between $300 and $350. But her secretary, who is probably earning $8,000 or $9,000 per year, will pay 20 per cent tax on her taxable income and not save even half of what her boss does.

This provision does what the Carter commission pointed out years ago—it takes one more step toward destroying the progressivity about which the minister spoke. I see the minister shakes his head. I would be glad if he could explain how our argument is in error.

It seems to me that we should not be moving toward provisions which give people a legal method of avoiding income tax, but that we should be moving to eliminate these loopholes and special provisions. To a great extent they are used on behalf of people in the upper income bracket, or self-employed people, and are of little or no use to the ordinary working person on a low wage.

Mr. Macdonald (Rosedale): Mr. Chairman, I would make the point again that, of course, as the progressivity of the tax goes up you have the same relative percentage all the way up. It does not alter that, except as you top out, at that point some of the higher income does not get the same benefit it otherwise would if the expenditure goes above $1,000 per year. There is progressivity in percentage terms. Of course this is of more value in the higher of the two categories, but in percentage terms the relativity is the same.

The hon. member for Timiskaming says we should reverse the order and have declining benefits the more tax you pay.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): We do not usually follow that policy, and I am not sure that in terms of equity it would be reasonable.

Mr. Orlikow: The point I am trying to make, which has been made by many others, including the National Council of Welfare, is that we ought to be directing our attention either toward remodelling income tax along the present lines, or to some form of negative income tax. The aim would be to put money into the hands of people at the bottom end of the income scale rather than people at the top.

We have said many times that everything we have done over the last 25 years has led to the position we are in today where the bottom one fifth of income earners are getting a smaller percentage of the gross national product than they were 25 years ago. They are getting less than 4 per cent of the gross national product, whereas the people in the top group are now getting about 42.5 per cent of the gross national product. The kind of proposals the minister has put forward in this bill, along with other government proposals, have led to the present situation with which my party disagrees completely.

● (2110)

Some hon. Members: Oh, oh!

Mr. Orlikow: I invite the backbencher of the Liberal party to stand up and express his own point of view.

Mr. Pearsall: What about the mill workers in B.C.? They are getting $10 an hour.

Mr. Saltsman: Mr. Chairman, I reinforce the invitation of the hon. member for Winnipeg North, particularly since we are debating this bill under a time allocation order. Backbenchers opposite should not be reluctant to stand up and present their ideas. Normally they are kept in line by their Whip who says they can yell from their seats but that they should not take up the time of the House.

It is clear, as the hon. member for Winnipeg North pointed out, that the efforts of the federal government and other levels of government to redistribute wealth have failed. While governments transfer money to lower income people through programs like the old age pension, guaranteed income supplement, family allowances and other government programs on the one hand, they give benefits and allowances of the kinds contained in the present bill to the better off, on the other. What the left hand gives the right hand takes away, and to that we object.

Let me give some examples. Most of us favour women's liberation. We think it is long overdue that women should be given equality in the eyes of the law. Unfortunately most of the benefits of the women's liberation movement are enjoyed by women of the middle and upper income brackets; poor women get few of the benefits, despite all the pitches you hear about women's liberation. How does that relate to the present legislation? This bill would allow women who do not want to stay home to work and deduct up to two thirds of child care expenses from income. In raising my argument I am not saying that the law discriminates as between women. Circumstances in life can militate against certain women and the law is not taking those into account.

How do women at low income levels who go to work arrange for the care of their children? They do not send their children to child care centres or fancy nursery schools. They cannot afford those expensive luxuries. Generally a neighour or relative looks after the children. That is how women at lower income levels arrange for the care of their children during the working day. The fact is, at that level, you are not going to get receipts which you can present to the government for claiming a deduction. That is a fact of life, as anyone will attest who knows how people at the lower income level live.

But the people who will avail themselves of the deductions in this bill can avail themselves of all sorts of fancy schools, be they language schools or nursery schools. Those women will get the real benefit of the bill. I am talking of women who start bringing up their children from the age of three or four to be part of this society's élite; those women make sure that our present class distinctions continue. And that is what this bill is all about.

I know the minister is not inexperienced in dealing with constituents. His constituency contains more than one class of constituent, and he deals with all sorts of people in his constituency. He knows that the child care of the better off is different from the child care of the poor. This legislation, by its very nature, is designed to help the better off.

Let me touch on arguments regarding the progressive nature of our income tax system. I do not quarrel with the minister when he says that he is trying to maintain equity under the income tax system. I would not quarrel with the minister if the present income tax system were equitable and the programs associated with it were closing the gap between the rich and the poor. But how can he argue that inequality breeds equity? Really, that is what the minister is arguing. He is saying that he wants to maintain the present system of equity. We say that existing so-called equity is not worth a darn. It is widening the gap between the rich and the poor.

We do not favour the present sort of proposals which do nothing to make the income tax system more equitable. We say that the income tax system can be made more equitable if the government pays a tax credit, that is to say, if it pays the same amount to those at the lower end of the income scale that it makes available to those at the upper end. In that way it could make the income tax system somewhat more fair. That is the kind of equity for which we stand, in contrast to the kind of equity which the minister has put forward.

Mr. Broadbent: Mr. Chairman, I will not add to what the hon. member for Waterloo-Cambridge just said, but I should like to raise the matters he raised in the form of a question to the minister. I suppose one could argue that the present income tax system would be equitable if you were to treat everything in the market system in the same way, as being of equal value. Under such a system the government, through its progesssive income tax—I will not argue how progressive our

present income tax system really is, because I do not think it is progressive at all—would not say to Canadians that it prefers spending on automobiles as opposed to spending say, on bibles or other consumer goods. Under such a system one could argue that the government is taking a neutral position. But when the government provides incentives through its tax system and says, "We want you to spend money on child care or registered retirement savings plans," and so on, it is, by definition, making a value judgment. In other words, the state wants to encourage that kind of spending. On the other hand, if we are concerned about equality in society, should we not proceed on a direct grant basis, as my colleagues argued, to ensure that the tax system treats all people with equality? Would that not be better than the present income tax structure of this country?

Mr. Macdonald (Rosedale): Mr. Chairman, perhaps our viewpoint is somewhat different. We are recognizing under the tax system that people in the community, make financial contributions with regard to pensions for retirement, RRSPs, and child care expenses, contributions for which they are out of pocket and for which, reasonably, there should be some recognition in the tax they pay. I do not pretend for a moment that there is equality between all taxpayers. There is a fundamental assumption which is not obviated by the tax system, or by the income system within the community, namely, that some people are making more than others. We are saying, indeed, that there is not equality between taxpayers, because the higher you go up the income scale the more tax you pay, and you pay a greater percentage of your income in taxes. The hon. member is right in one respect. Even having applied those factors you still have more left in hand. But the money left in hand does not initially come from the tax system but from a whole variety of different circumstances in which people find themselves in the community.

I suppose, not intending to carry the hon. gentleman's argument to the extreme, I can refer to the United Kingdom taxation system where, in Canadian terms, at a relatively low level in the taxation system taxation takes away any additional earned income. In terms of incentive I would think on the whole it is in our interest to continue to leave substantial incentive out there for some people whom the hon. member might not regard as great contributors to the community, but also for a great many people with respect to whom he would concede are making contributions by their talent and otherwise and who are rewarded by a greater return on income. So there is a basic equality there. I suppose the hon. member would take more away in tax from those further up the income scale, but we would still leave them with more in the end.

● (2120)

Mr. Broadbent: The minister has replied to one aspect of the question, one upon which I really did not want to concentrate, namely, whether the income tax structure is sufficiently progressive—is there a certain point at which one should increase the amount one must pay. I should like him to deal with the question.

Let us assume there is a particular schedule of progressivity in the income tax structure and the democratic government of the day decides that certain goods and services, for example, the provision of day care facilities, are important and therefore should be encouraged by the state. If the government makes such a decision, does it not make a lot more sense to provide for these things directly as opposed to providing for them through the tax structure?

Consider, for example, the present measure providing for child care allowance. In terms of tax benefit the average person earning $10,000 a year, with two children, receives a benefit of $200, but a person earning $100,000 with two children, receives a benefit amounting to $470. What I am asking the minister is this: instead of attaching benefit for day care to the income tax structure as such, would it not be a lot better to leave it alone in this respect and to take a figure somewhere in between, say, $310, and make sure it goes as a direct payment to all taxpayers, or, indeed, to people who do not pay taxes because their income is not sufficiently high, but have a need of day care facilities? Is it not better for the state to involve itself in actions it believes to be desirable and pay for them directly, rather than using the tax system to pay for the service in such a way that the rich inevitably benefit more than the poor?

Mr. Macdonald (Rosedale): The hon. gentleman seems to be suggesting that instead of tax deductions we should make a transfer payment to individuals from the public treasury. I think there could be some debate about the wisdom of doing this. One thing is clear. Very likely the apparatus at government level for operating the transfer system and deciding who was to get payments and who was not, would be more expensive than the operation of the present tax system.

Mr. Benjamin: Mr. Chairman, as an innocent country boy I have a lot of questions I should like to ask the minister. I do not want to go off half-cocked on this, you know, when I get back home, especially if I am in the constituencies of some of the minister's colleagues.

The way the bill is now, the child allowance is raised to $1,000 from $500 and the family maximum from $2,000 to $4,000 which, if I understand it correctly, means that a person with income at the $10,000 level would qualify for a deduction worth about $210 while someone in the $50,000 category would qualify for $430. I should like to ask the minister whether someone in the $50,000 a year category—I imagine there are few working wives or mothers in that category—would need some $190 more than a working mother earning $10,000? What is the logic here?

What would be wrong with reversing the situation? I appreciate the minister trying to give extra benefits for child care, but what would be wrong with reversing the entire clause? If the figures I have are reasonably accurate they suggest it might be a good thing to reverse the clause so that the person earning $10,000 or thereabouts might get the maximum benefit allowable in that category, and the person at the $100,000 level would get the minimum tax savings.

Mr. Macdonald (Rosedale): I am afraid I shall merely be repeating myself for the fourth time when I suggest to the hon. member that in percentage terms the position of the two parties would remain the same. In absolute terms, it is true that the person at the upper end of the income scale will get more. On the other hand, the person at the upper end is going to pay way more in tax and in percentage terms. So there is not equality in the tax system but a position in which there is a progressive income tax—the higher you go, the more you pay both in absolute and percentage terms. We are applying a scale which is related to income. The amount of the tax benefit does move up, I would concede, but on the other hand the tax liability is very much greater at the upper end than at the lower end.

Mr. Benjamin: I suppose what I was getting at was dollars. The sum of $390 means damn little to a person with $50,000 a year compared with a benefit of $200 for someone earning $10,000. Another thing I wanted to ask the minister about was this—I hope I am not misquoting him; it sounded very elitist to me—he seemed to be saying that the one who contributes the most should get the most out of the tax system. Is the minister suggesting that the working mother who is a waitress or a stenographer earning $8,000 or $10,000 a year does not make as good a contribution to society as a lady executive earning $30,000 or $50,000 a year? Is he suggesting that the working mother at the higher income makes a greater contribution automatically, or was he just thinking about tax dollars?

Mr. Macdonald (Rosedale): I did not say that at all. I hope the hon. member will not put those words in my mouth.

Mr. Benjamin: I did not want to do so. I am glad the minister has cleared that up. Another question I have in mind concerns a working woman who, though she is working, does not earn any income. I am not referring to a woman working in the home. I am referring to work outside the home—she is not paid for this work but she is still a working woman and she pays for child care. Would her spouse be able to claim a tax saving on his tax return?

Mr. Macdonald (Rosedale): No, Mr. Chairman.

Mr. Benjamin: I do not know whether I am happy with that answer or not, because it means that in the case of the Minister of Transport, who has a wife who is a working mother, and who works without pay, I am glad to know the hon. gentleman would not be able to get this benefit when he sends in his tax return. But what about the mother who works for a charitable institution for nothing, and pays for child care? Would her husband be eligible for a tax benefit in that respect?

Mr. Macdonald (Rosedale): No, Mr. Chairman. As I have indicated, this is a deduction with respect to expenses incurred for the purpose of earning an income.

• (2130)

Mr. Orlikow: Mr. Chairman, under the present law certain taxpayers, working mothers, are allowed to deduct the actual cost of child care up to an annual maximum of $1,000 a year—as my colleague points out, the family maximum is $4,000 a year—provided the amount claimed does not exceed two thirds of a taxpayer's earned income for the year. According to the report issued by the National Council of Welfare, in 1974 child care deductions, which at that time had a maximum set at only half the present rate, cost the government of Canada over $29 million, so it is obvious that if we increase the amount to $1,000 per person as is now proposed, we are talking of an amount of money in the neighbourhood of $60 million.

I attended the annual convention of the Manitoba New Democratic Party this past weekend where there was a long and pretty acrimonious debate because many delegates felt that the provincial government was not putting enough money into day care centres. In explaining the position of the government, the premier agreed that the government was not putting in enough money, but argued that the amount spent by the government had gone up from almost zero three or four years ago to something in the neighbourhood of $3 million to $4 million for this coming year.

Since most of the $60 million goes to women in the middle and upper income brackets, it seems to me that we would accomplish a great deal more if, instead of giving these tax credits which the National Council of Welfare has indicated will probably cost the treasury $60 million, that amount were better spent in larger contributions to provinces which have already set up day care centres and want to expand them, or to provinces which want to set up day care centres. I wish the minister would give some thought to this.

While I am on my feet I should like to say a few words about an interjection which the hon. member for Coast-Chilcotin made while my colleague was speaking, and which I think ought not to go unnoticed.

Mr. Peters: Ought not to go unanswered; it should go unnoticed.

Mr. Orlikow: That is right. The hon. member interjected words to the effect that we should go out to British Columbia where mill workers were making $10 an hour. I hope he will get to his feet when I have finished, but from the tone of his voice one would assume that somehow $10 an hour was an outrageous figure and was too much. I did some fairly quick arithmetic, and assuming that the mill workers worked a full year, which I think very few do, at 40 hours a week they would make $20,000 a year. That sounds like a lot of money, but with the cost of housing today I do not think mill workers are living in the lap of luxury if they make $20,000.

Instead of worrying about the mill workers making $10 an hour, the hon. member should give some thought to the kind of society where in the province of Ontario, according to reports, more that 800 doctors earned over $100,000 each last year. If

the hon. member would start worrying about that situation perhaps we would get some equity.

With regard to who benefits from this, I want to tell the hon. member for Coast-Chilcotin that I do not represent many workers who make $10 an hour. My colleague from Winnipeg North Centre and I represent several thousand women workers, many of whom are relative newcomers to Canada. They came to Winnipeg from Portugual, Spain or The Philippines and they work in the garment industry and make something in the neighbourhood of $3.50 an hour which, if they work a full year, which is unlikely, would give them an income of about $7,000 a year. The same is true of the garment industry whether it is in Winnipeg, Toronto, Montreal, Sherbrooke or even Vancouver. That is the nature of the industry, it being faced with competition from countries like Taiwan, Hong Kong and so on, countries where, if the workers get $1 a day, they are doing well.

The garment industry workers are not going to get much by way of a tax benefit from this provision. In fact as my colleague from Waterloo-Cambridge said, if they can make arrangements to have their children looked after they will probably use neighbours who will get a few dollars a week and not report the income, or have so little income that they have no income tax to pay anyway. These are the realities of the situation and it is for this kind of reason that we oppose this proposal. I urge the minister to rethink his position and to come up with a plan whereby the federal government would begin to pay a much larger sum of money toward the provision of adequate day care centres across this country than is the case at the present time.

Mr. Saltsman: Mr. Chairman, I should like to ask the minister whether his department has done a study in order to find out who benefits and who does not benefit from this provision. Perhaps the minister could shoot down all the arguments we have made simply by providing us with some information that might be readily available to his department. Has his department conducted a study of what families, by family income, have received the benefit of this particular provision? Without talking about the improvements in this section, what is the distribution of this benefit to families by family income? There is no point our talking about taxpayers' income because many of these middle and upper income people who claim this deduction only work part time. They are making substantial incomes but are doing so in a relatively short time. It is therefore important to know to what families this benefit is going according to size of family income. Does the minister have this kind of information for us?

Mr. Macdonald (Rosedale): Mr. Chairman, we do not have it by family income; we have it by individual taxpayers' income, because that is, of course, the manner in which it is filed. I can refer the hon. gentleman to the volume on taxation statistics, the 1976 edition, which because of the compilation rate relates to 1974. Table 2 in that volume will indicate the manner in which it is distributed.

Mr. Saltsman: I should like to pursue the argument that has been put forward by my leader, the hon. member for Oshawa-Whitby, regarding what we think would be a far more appropriate and intelligent approach to this matter of child care services than is proposed in this clause. I was not too sure from the minister's reply whether he had some sympathy with the arguments put forward by the hon. member for Oshawa-Whitby. I do not know whether it was simply an administrative problem or because of some administrative difficulty. In fact I do not know whether he thought it was a good idea from an administrative point of view if we are talking about tax credits as one way of being more equitable in terms of how this money is being redistributed.

• (2140)

Surely it is not nearly as complicated as the plan put forward by the government some time ago with regard to relating family allowances to family income. It certainly cannot be any more complicated that the present system of guaranteed income supplements for old age pensioners. These things are done by computers. You look at a person's income tax form, analyze it, and see what they are claiming. Surely it would not be that complicated. I would appreciate if the minister would clear up the point.

Is the minister saying that he is not sympathetic to the basic idea of (a) a system of tax credits, whichever one we get, with sort of an equal amount of money for child care, (b) the transfer of this amount of money into a pool for child care centres rather than doing it through the income tax system, or is he simply saying that the difficulty is an administrative one and he cannot figure it out?

Mr. Macdonald (Rosedale): Mr. Chairman, the hon. member referred to the family income security program. As I said to the hon. member for Timiskaming, it is a deduction of actual expenditure. In the family income security program there is no requirement of proof of expenditure. The hon. member is suggesting that this be given to every family irrespective of actual expenditure or child care services. That would indeed very much simplify the matter, but I wonder if that is what is really the objective. What we are trying to do is give some recognition for expenditures actually laid out. To the extent his leader was saying that in effect we should increase the taxation, particularly at the upper end of the scale and make it in transfer payments, that does not happen to represent the position of the government at this point.

Mr. Saltsman: Mr. Chairman, the minister is having some difficulty, which I can understand, with what I am asking him. In fact there are two ways of doing it. You can relate it to the claim. On the other hand, you can relate it on a broad universal basis. I had really not thought about it until the minister made it as a suggestion. Actually if there is a second earner in the family and there are small children involved, you can count on one fact. Somebody will have to look after the children if the second earner goes to work. If nobody looks after the children and it becomes the responsibility of the husband and the wife, after working for a full day, to stay up

and look after the children, surely making some payment to that family would not be out of line. You can be reasonably sure that if a transfer payment is made on the basis of a second worker in a family, it could be done on a universal basis.

Almost anything would be an improvement over what has been suggested at this point. The preferred way is what is being suggested by the hon. member for Oshawa-Whitby. That is that the amount of money involved here might be better used in terms of providing day care facilities for people at the lower income level who want to go to work.

If you ask yourself who benefits from this, who needs the help the most, you quickly would have to come to the conclusion that the people who need help the most are that group of people which is probably the largest group on welfare, the single parents. Very often there are complaints that they are on welfare, but this is often because they have a child. It is the largest single group on welfare. The greatest thing we can do in terms of getting these people off welfare and giving them a chance to go to work and realize an opportunity is to provide some service for them.

These are not the kind of people with the skills of those who earn a great deal of money. Anything we can give them through the income tax system in the way of a tax deduction or tax benefit is a waste of time. Chances are they will not earn enough money to be able to take advantage of it. Even if they get some money that puts them into a taxable bracket, the very regressive nature of this system tends to be less favourable for them than for people with higher skills and in a better position to get the money for the work they do.

The minister is responding in a way that often happens with these income tax systems. In other words, you start off with a system and you add a little bit of this and a little bit of that. You get pressure from one group or another. You say that in the next budget you will tack on a little piece for them, "do not get too upset with us." The party with which the minister is associated tends to be more inclined to look for the swingers, the middle and upper-income groups. He obviously has to be in some struggle to keep them happy.

A few years after the great Carter report when we tried to simplify the tax system, we keep having these things added. They not only complicate the tax system but increase its regressive nature. It gives little bits and pieces. We wonder why the distribution of income over all these years has really not been effective in any significant way. It is because of this kind of patchwork approach.

Getting back to the question of what should be done about the problem of child care, obviously something should be done. It reflects an absence of really looking at the problem and saying there is a child care problem.

There are a lot of people who should be helped if they want to go to work. They should be helped with child care expenses. What is the best way of doing it? Rather than coming up with this bitty thing that in fact keeps the middle-income people somewhat happy and sort of responds to the clubwoman type of request, the minister should reconsider the government's attitude toward child care centres.

If the government is prepared to forgo this kind of revenue in the tax system, it should be prepared to use this amount of revenue which is significantly fairer and more effective than the measure before us today.

Mr. Benjamin: Mr. Chairman, I listened carefully to the minister's response. I appreciate the reasons he gave. They reflect government policy and also the reasoning of his officials. I consider the minister to be a pretty decent guy who thinks about and considers ordinary people. Why would he countenance this kind of program rather than fight for a program that would give a $470 tax saving to someone at the low end of the tax scale with a $10,000 income and only a $200 tax saving to the one at the $100,000 end of the income scale? Why, in the name of decency if nothing else, will he not do that?

Don't tell me the clause cannot be reworded to do that very thing. His officials, two of them here now, could work out a scale or formula that would reverse the position for the working mother who earns $7,000 or $8,000 a year as a waitress or stenographer so that she would get the maximum tax saving. Probably her whole income tax of $500 would be returned. The working mother in the $20,000 or $30,000 bracket would get less of a tax saving. If there is such a thing as a working mother in the $100,000 bracket, which I doubt, she would only get a $200 tax saving. Surely to God that is the decent thing to do.

I was hoping that some of my colleagues in the official opposition would have something to say about that tonight, because they have been the greatest motherhood party since last February. I was hoping someone would get up, but do you know what they think of child care? They are watching Evel Knievel on TV.

• (2150)

Mr. Pearsall: I did not know he was on now.

Mr. Benjamin: What is the stand of the official opposition on decent child care facilities? I had hoped the hon. member for Fundy-Royal, who has done some pretty good things about day care centres and child care, would have something to say, but he has been bloody silent tonight. The Tories would not even help force the vote so the Liberals would have to bring in closure.

Mr. Hnatyshyn: Why watch TV; we have you here?

Mr. Benjamin: I ask not only the minister but the official opposition if they would not prefer to see the low income working mother get the maximum tax saving and the high income working mother get the minimum tax saving? That is what I would like to know.

Mr. Broadbent: Mr. Chairman, I wish the Minister of Finance would answer the questions posed by my colleague who just sat down. I would like to join my colleague in asking

where the official opposition is on this measure. I find it extraordinary that on one of the most significant parts of a tax bill that affects in particular average and low income people in Canada, the Conservative party in the House of Commons has had not one word to say. When they get around to policy development, their leader asks a man by the name Reuben Baetz, who is head of the Canadian Council of Social Development, but I understand he has been reluctant to give them advice. Perhaps he sees how cynical they are. I hope he reads the record of today's debate and finds out that the official opposition had not one word to say on this important measure.

Mr. Peters: Mr. Chairman, I was interested to hear the argument used by the National Council of Welfare on income tax systems, and I was particularly interested in their statement on the unfairness of some of the sections of the income tax law. I am sure that many Canadians will be very interested in this.

It may well be that the reason why more Canadians are not interested in day care centres and the ancillary facilities of day care work stems from the fact that this government does not want extra women in the labour market.

I went to a Manpower Centre in my own area a couple of weeks ago because I was obsessed with the idea that the figures which are available for employment do not meet the criteria that I would set, and in fact they are considerably below them. I asked whether there would be enough women in the area to fill the 300 vacancies available at a factory close by. An official said there were about 300 women listed at that Manpower Centre. I asked whether all those women would be able to work in that plant making jeans. He said that no, of course they would not, that there would be no trouble getting 300 women to work in that plant, but only 100 would be from his list. This means that in any particular field there might be four or five times as many women available for work as are registered. One of the reasons for that is the fact that if you have a very low income you have to get your neighbour or your mother-in-law to look after your baby when you go out to work. So these women agree to do the work of baby sitting for reasonable wages so long as they do not have to give receipts. They are not interested in the work if they have to give receipts because they do not want to get their husbands in trouble with their income tax forms. They are not interested in making that income otherwise. If they can get that income under the table without receipts, they will take the work.

Let me say for the edification of the hon. member for Coast Chilcotin that I had the opportunity to visit a country not long ago, a country to which Canada is giving considerable aid for development. One of the things on which they are spending a large amount of money is the development of day care centres in conjunction with their industrial projects. In fact every housing unit they build is connected to a day care centre. They believe it is absolutely essential for low income people to have two incomes per family, and to make that possible day care centres are necessary.

Surely the Minister of Finance, who comes from an area where many residents are in desperate need of day care centres and who leave their children in less than satisfactory conditions when they go out to work, must be sympathetic to the argument put forward by my colleague who said that this measure will mean a reduction of tax revenue for the federal government of about $60 million which could be invested in day care centres in conjunction with the municipalities and provinces. This would be of much greater benefit to the people in need of day care assistance than this kind of exemption which we believe, perhaps wrongly, is of greater benefit to the tax structure itself than to people at the lower end of the income scale.

I hope the minister will give some consideration to transferring to his colleague, the Minister of National Health and Welfare, this money in lieu of the tax exemption so that we can build day care centres, and so that we do not find that a country which is much less progressive and developed than ours, and certainly much poorer than we are, does more in the area of social assistance than we do by building day care centres for those who need to work.

May I call it ten o'clock, Mr. Chairman?

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AGRICULTURE—COW-CALF SUPPORT PROGRAM—REASON FOR REDUCED PAYMENT TO PROVINCES WHICH HAVE PROGRAMS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the topic I want to pursue tonight is the cow-calf program, and I see the parliamentary secretary is here. One could describe the federal cow-calf program in the language of the Minister of Agriculture (Mr. Whelan) himself as being a load of bull. It is too little, too late; it discriminates against small producers, and it discriminates against provinces that set up continuing stabilization programs when the federal government refused to do its job.

The program allocates less to cover the whole country, $70 million, than Alberta and Saskatchewan budgeted for their 1976 programs, $72 million. The pay-outs are expected to be about $30 per cow less than the $50 Alberta and Saskatchewan were paying under the 1976 program, and will cover fewer cows.

• (2200)

At a meeting with the Minister of Agriculture in December the provincial ministers were led to hope that the federal plan would cover 1976 as well as 1977. That has not materialized. As with all other federal stabilization programs, the plan is not

indexed to cover all costs of production. Ninety per cent of the five year average stabilization level will not come near to covering the producers' losses.

The payment set-up works against small producers by deducting the first five cows and then paying on 70 per cent of the remaining herd. Naturally this means that the small producer gets paid on a smaller percentage of his herd than a producer at the maximum 100 head. All this does is save the federal government a bit of money. If the federal government really wanted to exclude hobby farmers, it could have set a minimum cow herd and paid on the whole thing.

The government is only paying 70 per cent because it is assuming an 85 per cent calf drop. That means the producer gets no support at all for the cows that he breeds and feeds and on which he comes up a loser. However, the really foolish feature of this program is the additional 15 per cent exemption for herd replacement. If the government wants to end the depletion of the cow herd, which is going on very rapidly and which by mid-1977 may see us back to 1971 beef crisis levels, the way to encourage producers to build herds is not to reduce payments that may keep some of them operating until the market picks up as predicted.

In Saskatchewan, for example, there was a record cow slaughter in 1976 as 202,000 cows went to the slaughter yards—that is double the normal rate—and at that time the same pattern held true for heifer slaughter as well. A further 10 per cent to 12 per cent deletion in Saskatchewan's cow herd is expected this year. That will bring herd levels in that province back to 1970-71 levels, wiping out five years of gains toward a more diversified agricultural economy.

Consumers will see a return to the high prices of the early 1970's when the beef cycle hits its high point in 1978-79, as the government's so-called stabilization does nothing to stabilize the production of cattle at the farm level.

To pay $20 or so when some producers have had losses of up to $100 a head is no more than a political ploy. The cynicism of the federal plan is further demonstrated in the provision that producers enrolled in provincial programs will receive only half of the federal deficiency payment. While the government has consistently opposed toploading of federal stabilization plans, the minister can hardly claim that Manitoba, B.C., Ontario and Quebec are toploading his plan. They were instituted because the federal minister failed to bring in a plan of his own.

Returns to producers are higher in all the provincial plans than they will be under the federal scheme. Manitoba, which sends more than half its beef to central Canada, would have lost $4 million in federal payments in 1976 had the plan been in effect then. It makes no sense to penalize a province which brought in an imaginative and progressive plan to protect its beef industry in the absence of federal action. If medicare had been introduced on the same basis as this stabilization program, Saskatchewan would only be getting half the payments it now gets.

[Mr. Nystrom.]

The time when federal-provincial relations are at their shakiest since Confederation is scarcely the time to add new injury to inaction. I can assure hon. members that representatives from all the provinces we talked to are very upset about this point. Manitoba taxpayers, for example, will continue to subsidize central Canadian consumers, as Alberta and Saskatchewan taxpayers did in 1976, to the tune of some $72 million.

The federal government cynically exploited the drop in beef prices as it moved the food index lower and gave the impression that the anti-inflation program was working. The beef index is just under three points in the consumer price index.

Meanwhile, back at the ranch, the minister's real heroes in the fight against inflation are taking a beating. Farmers all across the country have suffered income cuts, but beef producers are in especially desperate straits at this time. The 15,000 producers who have applied for payments under Saskatchewan's emergency plan had average taxable incomes of $1,600 in 1975. That is the kind of "powerful group" in society which has had to suffer the rough justice of restraint. The federal government must take the blame. It could have controlled imports, but it did not. It could have rationalized the country's beef marketing system, but it did not. Thousands of cow-calf operators are paying for this inaction now as they mortgage their family farms or go under in bankruptcy and, in a year or two, millions of Canadians will pay in higher prices at the supermarket. But between now and then is an election and maybe the Minister of Agriculture's $70 million sop will buy him some friends. I doubt it.

The second point I want to raise is the increase in community pasture rates by over 30 per cent in a year when beef prices are low and when we have an anti-inflation program. Farmers have just received notice that the PFRA community pasture rates administered by DREE will increase for cattle from nine cents per head per day to 12 cents per head per day, an increase of some 33 per cent. Breeding charges are going from $10 to $13 per day, an increase of 30 per cent. Delegations of farmers have protested to me the increase of over 30 per cent in a year when people are being told to tighten their belts, yet here is a federal government agency increasing the rate to farmers by over 30 per cent. That does not seem to be fair, especially when farmers are getting depressed prices for the beef they are forced to sell and the federal government says they must recover their costs.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but his allotted time has expired. The hon. Parliamentary Secretary to the Minister of Agriculture (Mr. Pelletier).

[*Translation*]

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would like to call the attention of the House to a sentence the hon. member has just spoken and which I did not expect at all, as I am not following the text prepared by the department. The hon. member raised this point at a time when the problems of the Confederation are

being discussed at the provincial and federal levels. The hon. member said all this was the fault of the federal government and of the Prime Minister (Mr. Trudeau). On several occasions the Minister of Agriculture (Mr. Whelan) asked the provinces to come to an agreement. He urged them to discuss the national program. He did not want a program unsatisfactory for most of the provinces. Therefore he asked them to come to an understanding first, after which it would be possible to develop a national program. So I think that the allegations of the hon. member are absolutely unfounded, as it is much too easy to cast all the blame for this on the minister.

[*English*]

I am pleased to have this opportunity to respond to the incorrect allegations which the hon. member made about the federal cow-calf stabilization program in his question of January 27, 1977. This is an important program for the Canadian beef industry and it is essential that such misrepresentations are not given to Canadian farmers.

I wish, first, to emphasize that the program announced by the Minister of Agriculture on January 4, 1977, does not discriminate against farmers or provinces. From the farmer's point of view this program will ensure that producers in all provinces will receive stabilization benefits whether a program is, or is not, already in effect in his province. In this respect I am sure the hon. gentleman opposite will agree with me that the federal initiative in the cow-calf sector is a very positive step toward correcting discrimination and inequities which have existed among provinces in the past.

A producer who is enrolled in a provincial cow-calf program will receive the maximum net support possible under either the federal or the provincial program—whichever is greater. He will receive 50 per cent of the federal stabilization payment, with the remainder coming from the provincial government.

The federal program, which will cost an estimated $70 million, will relieve provincial treasuries of a significant portion of their commitment to producers. Producers will not only receive the full amounts guaranteed in their provincial plans but in those cases where the federal stabilization level is higher than that of the province, will receive larger payments than originally anticipated.

It would not have been fair to implement a federal program which had no benefits for producers already registered under provincial plans.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. parliamentary secretary but his allotted time has expired. The hon. member for Halifax-East Hants (Mr. McCleave).

CENTRAL MORTGAGE AND HOUSING CORPORATION—REQUEST FOR ACTION TO PROTECT PUBLIC FROM EFFECTS OF EXCAVATION IN QUAKER CRESCENT AREA OF LOWER SACKVILLE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, late last November and last month I mentioned the melancholy and sad events touching housing development in the community of lower Sackville in the constituency of Halifax-East Hants.

I pointed out that through the Nova Scotia Housing Commission people had been sold lots and promised land for a church, a 15 acre shopping centre, high rise and single family dwellings, a school, and amenities such as parkland. Subsequently the Nova Scotia Housing Commission entered into a deal. The 15 acre shopping centre swallowed up all the land and removed the school and apartment buildings and the place for other single homes, as well as the parkland. I suggest that was a gross breach of promise to the people who had bought in all good faith and depended on the plans presented by the housing commission. I thought that was dishonest. I also said that the company entering into this deal had done so without taking part in any tendering proceedings. The company was actually formed after the original deal was made. Two friends of the minister of housing for Nova Scotia formed the company, to acquire the land. I said this was corrupt.

● (2210)

The Nova Scotia Housing Commission was good enough to let me see its files. I found, that the very first document which ought to have been on record is missing. That has not caused me to withdraw or soften the complaints I made.

Central Mortgage and Housing Corporation had poured millions of dollars into that development through grants that it made to the Nova Scotia Housing Commission, to enable land to be assembled in the first place, and with mortgages made available to homeowners when they began to build. A great deal of federal money is therefore at stake, which is why I have been raising this question in the House of Commons.

When the concept of the shopping centre expanded from one involving 15 acres to one involving 21 acres, bulldozers moved in; along the rear lines of the lots on two streets, Quaker Crescent and Polara Drive, a wall has been created, some of it is up to 30 feet high. The wall is holding back a sort of clay soil. The contractor has attempted to shore up this wall. Indeed, I gather that he plans to put a wire fence along the top of it. But the people who bought on Quaker Crescent and Polara Drive expected to be able to look down a gentle slope, through birch trees, walkways and other single family dwellings looking onto a lake. It was to be a pleasant neighbourhood prospect. Instead, they will face one of the largest Dominion stores in eastern Canada. It will be smack up against their properties, as will the other buildings of the shopping centre nearby.

The Nova Scota Housing Comission said, in its defence, that it was only making proposals when it presented plans to the homeowners. The plan, signed by the Nova Scotia Housing Commission was, they say, only a proposal. This brought forth what I consider the best line in the public dialogue which has been created since I raised this issue in mid-November, when Councillor Francene Cosman of Bedford, which is nearby, said that if that was the proposal well, she, herself had once been proposed to and she took that proposal seriously.

I said that great hurt has been done to property values by reason of this desecration of what was originally a fine neighbourhood concept. This must also hurt the investment in that area of Central Mortgage and Housing Corporation.

I can suggest three remedies; two, not being germane to this House, I shall mention only briefly. In order to protect the public there must be some change in the law in the province of Nova Scotia. That province cannot depend on a minister of housing whose association with the developers makes Damon and Pythias seem like mortal enemies. Second, provincial and municipal laws must be changed so that the public is protected.

We come into the picture in relation to the third point and I hope the parliamentary secretary will raise this question with CMHC. I do not disagree with the role CMHC has played in this matter. As a matter of fact, any opinion I have had from the minister or the parliamentary secretary has been sympathetic to the homeowners because of the nature of the promises made to them. But I think that if federal moneys go through CMHC to provincial housing corporations or commissions we should insist that very strong agreements are made so that we may know exactly what that federal money would be used for. It simply cannot be left to be administered by a provincial housing minister as though he were running an old pals' act.

All this has led to a lot of frustration among the people concerned. They feel alienated. They say, "The developer is too big for us to deal with." They say the minister of housing is too important for them to be able to deal with. Some of that frustration has boiled over on myself. I know the developer has attacked me in a long front page letter published in the Halifax *Mail-Star*. My reply has not yet seen the light of day in that same newspaper, so the newspaper will obviously not be very helpful in this fight. Nonetheless, by boiling over here, and perhaps in other places, we may yet civilize developers and get a better deal for those who put their life savings into housing. At least that will be my endeavour.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, in my response in the House on November 30 on the subject the hon. member has raised, I replied in some detail setting out the position of CMHC with respect to this project. I am sure he does not want me to repeat my words. I might add that after making my response I spoke to the hon. member and suggested that the matter of the residents' rights in this controversy might be taken up with the ombudsman in Nova Scotia. It goes without saying that if the Nova Scotia Housing Commission has disregarded any legal obligation to the residents, they should consider seeking an injunction, or other appropriate legal action. Not being a lawyer, I hesitate to go any further in giving advice to the hon. member.

I take note of his remarks concerning the need for a strengthening of the agreements with regard to development projects and I will bring the hon. member's comments to the attention of my minister. I should like to tell the hon. member's comments to the attention of my minister. I should like to tell the hon. member that CMHC is not in the business of running municipal councils and that zoning is not our business, but I repeat that if there are legal problems here which demand further action, the proper course, I suspect, would be for him to take the matter up with the people concerned and advise them as to the possibility of going to the ombudsman.

Motion agreed to and the House adjourned at 10.20 p.m.

HOUSE OF COMMONS

Tuesday, February 1, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

SOCIAL SECURITY

REQUEST FOR PENSION RIGHTS FOR HOMEMAKER SPOUSES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, because this matter is one of urgency which grows every month, I ask leave to move under the provisions of Standing Order 43, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That this House urges the government to bring in without further delay legislation that will establish pension rights for all homemaker spouses equivalent to the rights of those employed outside the home, and that the government commit itself to the taking of this action during the present session of parliament.

Mr. Speaker: Such a motion pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

MANPOWER

SUGGESTED INCREASE IN FUNDS FOR YOUNG CANADA WORKS PROGRAM AND AMENDMENTS TO STUDENT LOAN ACT—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise on a matter of urgent and pressing necessity in view of the continuing serious national unemployment problem that has been so detrimental to the morale of young male and female adults and many of their parents, and in view of the fact that high unemployment and low income areas of Canada's Atlantic provinces and the province of Quebec are so adversely affected, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House call upon the government to make more money available for the Program Young Canada Works in these areas of very high unemployment, and at the same time that we ask the Secretary of State to review the Student Loan Act with a view to, first, making repayments dependent on the students' ability to pay and, second, to change the minimum study time for a student to receive loans from the present 26 weeks minimum to 12 weeks so that students from low income families can more easily pursue summer school courses as well as one semester courses.

Mr. Speaker: Is there unanimous consent to the presentation of such a motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL DEFENCE

PROPOSED COMMENDATION OF ROYAL CANADIAN REGIMENT, LONDON, ONTARIO, FOR AIDING SNOWBOUND AREAS—MOTION UNDER S.O. 43

Mr. J. Larry Condon (Middlesex-London-Lambton): Mr. Speaker, I rise on a matter of urgent and pressing necessity, pursuant to the provisions of Standing Order 43. In recognition of the extraordinary help and assistance rendered snowbound citizens of southwestern Ontario and the saving of countless lives during the recent snowstorm as a result of the quick and effective response of the Royal Canadian Regiment stationed at Canadian Forces Base, London, Ontario, a base which only recently was acquitted by the Minister of National Defence of charges of obsolescence and spared for the greater protection and benefit of Canadians in times of such civil disasters, I move, seconded by the hon. member for London East (Mr. Turner):

That this House go on record as commending the men of the Royal Canadian Regiment of Canadian Forces Base, London, Ontario, and urge the Minister of National Defence to give a unit commendation for voluntary excellent citizenship to this regiment.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such a motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

Storms

EXTERNAL AFFAIRS

SUGGESTION PRIME MINISTER DISCUSS UNITED STATES INTERFERENCE WITH CANADA'S TRADE RELATIONS WITH CUBA—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have another perfectly reasonable motion under the provisions of Standing Order 43. In light of reports of continuing affronts to Canadian sovereignty I move, seconded by the hon. member for Greenwood (Mr. Brewin):

● (1410)

That this House request the Prime Minister to discuss continuing United States interference in our trade relations with Cuba in his forthcoming visit to Washington.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

STORMS

REQUEST FOR FEDERAL ASSISTANCE TO SNOWBOUND AREAS OF SOUTHWESTERN ONTARIO—MOTION UNDER S.O. 43

Mr. Roger Young (Niagara Falls): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

In view of the disastrous snowstorm which struck southern Ontario this past weekend isolating hundreds of small communities and bringing normal daily life to a standstill; in view of the fact that much of this region has been declared a disaster area and that many municipalities are still on an emergency alert basis; in view of the fact that a second storm appears to be on its way and that many roads are still impassable; and considering that most municipal budgets, particularly those in the Niagara Peninsula, are heavily overspent, that costs so far have already run about twice that of a normal year and that storms such as that of last weekend are costing a single municipality about $6,000 to $7,000 per hour to clear, and while thankful for the excellent relief assistance already provided by the local militia, I would like to move, seconded by the hon. member for Welland (Mr. Railton):

That this House urges the federal government to consult immediately with the responsible provincial and municipal officials with a view to providing necessary disaster relief whether through financial means or physical assistance and that it give consideration to absorbing or defraying the cost of relief provided by the militia and the Department of National Defence.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such a motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

[Mr. Speaker.]

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

Some hon. Members: Agreed.

Some hon. Members: Hear, hear!

Motion agreed to.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

GOVERNMENT POSITION ON PATRIATION AND AMENDING FORMULA—FEDERAL PLAN FOR DISTRIBUTION OF POWERS

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, in the continued absence of the Prime Minister—

Some hon. Members: Oh, oh!

Some hon. Members: Where is Pierre?

Mr. Clark: —I want to address a question to the Acting Prime Minister, which may allow him to add some precision to the government's position on constitutional reform. In his recent letter to the various provincial premiers the Prime Minister clearly indicated a preference to start with an agreement on patriation and an amending formula and then proceed to a distribution of powers. In his speech in Quebec city on Friday the Prime Minister indicated that the only conditions he would apply to constitutional reform would relate to certain civil, regional and language rights. I would like to ask the Acting Prime Minister whether the Friday speech of the Prime Minister means that the government has set aside its preference to start with an agreement on patriation and an amending formula.

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I do not believe it is wise to conclude that the speech on Friday set aside the desire of the government to patriate the constitution. I do not think these propositions are mutually exclusive.

Mr. Clark: If the Acting Prime Minister is going to continue to be called upon to answer for the Prime Minister, he might want to read the correspondence which was sent to the various premiers.

Some hon. Members: Hear, hear!

Mr. Clark: It would be very helpful for the House of Commons, the country and the premiers to know whether it remains the preference of the government of Canada to proceed to give priority to what was called stage one, agreement upon an amending formula and patriation. We can wait until the Prime Minister comes back to the House, if he does—

Some hon. Members: Oh, oh!

Mr. Clark: —to provide information. In the letter of the Prime Minister to the premiers the Prime Minister said that it would be, and I quote, "a serious mistake" to proceed with a discussion of constitutional amendment "without a coherent total plan", and I wonder if the Acting Prime Minister can tell the House whether federal officials are now preparing a coherent total plan regarding a distribution of constitutional powers which the federal government will carry into discussions with the provinces.

Mr. MacEachen: Mr. Speaker, I believe the context in which the letter ought to be interpreted is one that might involve selection of particular items for constitutional change in connection with the patriation of the constitution. I believe what the Prime Minister was indicating was that if there were to be a general review or discussion of the constitution it would have to be set in quite a broad context. To my knowledge we have not had any response from the premiers on this matter. I believe it is well known to the hon. Leader of the Opposition, however, that the federal government has been equipped for some time now to engage in that kind of constitutional discussion dating back to preparations that were in place well before the Victoria conference. I believe there is a good deal of material available and the process of preparation is continuing.

Mr. Clark: A final supplementary question, Mr. Speaker. What we are trying to determine and what the country is interested in is whether the speech made by the Prime Minister in Quebec City the other day in which he appeared to abandon the constitutional rigidity which has been the mark of this government through its years in office, indicates that there has been a fundamental change in their attitude toward constitutional reform. If that is so, is the government proceeding now with preparations on a new basis that would involve the breadth of reform implied in the speech on Friday? We want to know whether those were empty words in that speech or whether there is some concrete follow-up. In effect, we would like to have some guarantee from the government that the Prime Minister's conversion to constitutional flexibility will prove more reliable than his previous opposition to controls.

Mr. MacEachen: Mr. Speaker, I am not sure whether the hon. gentleman wants information or whether he wants to score a few political points in the absence of the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): We will take both.

Mr. Hnatyshyn: We want to know where you stand.

Mr. MacEachen: I want to tell the hon. gentleman that probably the speech of the Prime Minister pulled from under him the only rug he has had since he became Leader of the Opposition.

Some hon. Members: Hear, hear!

An hon. Member: Cheap politics!

Oral Questions

SUGGESTED REFERENCE TO CONSTITUENT ASSEMBLY— POSSIBLE REPLACEMENT OF FEDERAL-PROVINCIAL CONFERENCE

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my supplementary question to the Acting Prime Minister concerns the suggestion made the other day by the Prime Minister of a constituent assembly to deal with constitutional matters. Can the Acting Prime Minister say whether this suggestion has been discussed with the provincial premiers and does the government see it as a replacement for federal-provincial constitutional conferences? Perhaps the most important question is what the status of a report or findings produced by any such constituent assembly would be.

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, may I tell the hon. member that this idea that was put out by the Prime Minister is not intended in any way to be a replacement for the normal processes of consultation with the provinces. To my knowledge the idea has not been considered with the provincial premiers.

● (1420)

Miss MacDonald: Since the suggestion was put forward by the Prime Minister, can the Acting Prime Minister tell us whether or not the government has determined what the preferred structure would be for the membership of any such constituent assembly and has any thought been given to a timetable? In other words, I am trying to determine whether the suggestion was put forward after serious consideration on the part of the government or whether it was merely thrown out on the spur of the moment.

Mr. MacEachen: I believe both the hon. lady and myself would benefit from reading the transcript of the press conference.

Miss MacDonald: I have.

Mr. MacEachen: I understand the question was raised by a journalist and that in reply the Prime Minister made a number of comments with respect to problems which might arise with regard to any such proposal. But I want to assure the hon. lady, in case she has some doubt, that at the present time there has been no formulation of proposals with respect to a constituent assembly.

* * *

PUBLIC SERVICE

INQUIRY WHETHER PEOPLE ON BLACKLIST INFORMED OF CHARGES AGAINST THEM

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Acting Prime Minister? In effect, I am putting to him a question, or questions, I asked yesterday but I do so on the basis of his assurance yesterday that he would give me a further reply today. In view of the mandatory guidelines established by Prime Minister Pearson

in 1963 and confirmed by the present Prime Minister in 1969, may I now ask the Acting Prime Minister whether the persons named on the list attached to the letter of the former Solicitor General of June 15, 1971, have been informed of that letter and of its references to them so that they might have an opportunity under the guidelines to clear their names?

Hon. Allan J. MacEachen (Acting Prime Minister): I find, having read the answer I gave to the hon. gentleman yesterday, that that answer is in accordance with the proper understanding of the guidelines. The hon. member used the expression "clear their names" when no charge has been laid with respect to any of those persons. The guidelines to which he refers were those which were announced in the House of Commons by the former Prime Minister, Mr. Pearson, I believe in 1966.

Mr. Knowles (Winnipeg North Centre): In 1963.

Mr. MacEachen: In 1963. At that time he outlined the requirements involved in a new system of security which would protect both the interests of the state and the civil liberties of public servants. In dealing with the first of the new requirements of the system, the former Prime Minister stated:

> The first of the new requirements is to inform the person involved when his security or reliability is in doubt and may have to involve his dismissal.

Yesterday, the hon. gentleman, by inadvertence, I am sure, left out a very important and controlling phrase—"may have to involve his dismissal". In no case was the question of the dismissal of any of those persons raised, and therefore the notion of putting this particular procedure into operation is quite inapplicable.

Mr. Knowles (Winnipeg North Centre): I suggest the interpretation the minister has just given us is begging the question since, in effect, the word "may" is there. If the reliability of these civil servants has been questioned I suggest that the guidelines apply. In any case, may I ask the Acting Prime Minister if he is aware that at a press conference on January 26 of this year the Prime Minister, in dealing with this matter, said that he presumed the ministers had taken this step. Does that not confirm the belief of the Prime Minister, that that should have been done? Therefore, would he check further with respect to the rights of these civil servants to be informed of what was said against them?

Mr. MacEachen: Mr. Speaker, I have not read what is contained in the press conference comment of the Prime Minister, but I believe that it is important to understand that in this particular case any action which might be taken would be taken by the employing department or agency responsible for the employment of any particular person.

Mr. Fairweather: Words, words.

Mr. MacEachen: There is no question at all that the governing point is the reliability or security question which may lead to the dismissal of an individual. If such occurs, the individual must be told about it and given the opportunity to explain or defend himself. If the hon. member looks into this matter further he will find that there is an opportunity to have a hearing or review, if the dismissal is to be undertaken. I suggest that these guidelines are not applicable in this particular case because at no time was dismissal involved. Actually, subsequent events prove that some of these individuals advanced rather rapidly in the public service, or so I am told.

SUGGESTED REMOVAL OF BLACKLIST NOTATION FROM PERSONAL FILES OF EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask another supplementary question? Since the Prime Minister's statement on the date I indicated, January 26, 1977, refers to the informing of those civil servants by their ministers so that they could play the game according to the new rules, and since the Prime Minister then said, "which I presume the ministers did and that ended the matter as far as we were concerned," are we not left with an incomplete story, in that the Prime Minister presumed that the employees were notified, but now the minister tells us they were not. Will the Acting Prime Minister comment on that and will he indicate to the House now whether the government is prepared to see to it that any reference to this matter is completely removed from the files of those particular public servants?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I believe the hon. member will have to reconstruct the operation of this particular procedure, to understand that it is the responsibility of the employing department.

Mr. Knowles (Winnipeg North Centre): You have reconstructed it.

Mr. MacEachen: It is important to reconstruct the operation of this procedure, to understand that it is the responsibility of the department or the operating agency to put into question the reliability or security of any particular employee. In this particular case what happened, as I stated yesterday, is this: The then solicitor general wrote to a number of ministers indicating that it was important that particular individuals should live up to their responsibilities. At that time the decision whether or not to carry the matter further, was a departmental decision, but at no time was the matter carried further, to my knowledge, because at no time was it concluded that action was to be taken or contemplated which would result in the dismissal of any such individual. Only at that time were individuals to be given the opportunity to explain themselves or have a review. I have not seen that particular press statement made by the Prime Minister, and I think the hon. member will have to ask the Prime Minister directly, but there is no contradiction between what I said and the contents of the Prime Minister's press conference.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Scattered applause.

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST THAT WORKERS IN CERTAIN SMALL BUSINESSES BE ELIGIBLE FOR BENEFITS

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration.

Can the minister advise the House whether he has considered amending the Unemployment Insurance Act so that the sons of farmers who find themselves out of a job during the off-winter season, after having been employed by their fathers over an eight-month period, may too become eligible for unemployment insurance benefits?

Hon. Jack Cullen (Minister of Manpower and Immigration): No, Mr. Speaker, not yet.

* * *

● (1430)

[*English*]

TRANSPORT

SUGGESTIONS IN "AT HOME WITH TRANSPORT" FOR CONDUCT OF EMPLOYEES—GOVERNMENT POSITION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the Minister of Transport. It arises out of the very unique publication published by his department entitled "At Home with Transport". While I realize the minister's desire to improve efficiency and to establish greater awareness for the care of government property and government buildings, I wish to ask him about statements contained in the publication to the effect that employees should not stand, walk or crawl on their air conditioners, that they should leave pencils at their desk when they go to the washroom because, as the publication indicates, those walls are for privacy and not for poetry and further suggests that employees should face the front of an elevator at all times lest they be standing backwards and miss their floor.

Some hon. Members: Oh, oh!

Mr. Mazankowski: I wish to ask the minister whether these kindergarten instructions do not cast a rather sad impression on the public servants who work for the Department of Transport. In fact, does the minister not find them somewhat insulting? Perhaps he might also inform the House whether he is planning a similar booklet of helpful hints on the use of government aircraft.

Some hon. Members: Hear, hear!

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, after seeing that volume I found on checking that it was a reprint of a popular earlier edition which was designed to avoid certain caustic practices in transport facilities. I am happy to ensure hon. members that most readers of it found the practices involved a little surprising. On checking, I found that the vast majority of Transport employees do not walk on their air conditioning units and never engage in many of the other activities involved. However, the volume is a serious effort to warn about some things which cause damage to property.

Mr. Mazankowski: Mr. Speaker, it may be serious but it is done in a rather kindergarten-like fashion. Can the minister advise whether this publication is exclusive to the Ministry of Transport or can we expect similar other publications affecting other government departments?

Mr. Lang: Mr. Speaker, I will try to determine whether the idea is catching on.

* * *

ENERGY

POSSIBILITY OF GRANTS TO PRIVATE ENTERPRISE TO DEVELOP MEANS OF PRODUCING ELECTRICITY FROM RENEWABLE RESOURCES

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the government's commitment to a study of renewable energy resources, is it the intention of the minister to provide grants or other appropriate incentives to challenge the private sector of the economy to devise more efficient means of producing electric power from renewable resources?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I will be making an announcement with regard to a new and expanded top-priority budget with respect to renewable energy resources in the very near future. I think the hon. member will find in that announcement a great deal of emphasis given to stimulating the entrepreneurship of the private sector.

* * *

ATOMIC ENERGY CONTROL BOARD

ALLEGED REVERSAL OF DECISION ON DUMPING RADIOACTIVE WASTE WITHOUT PUBLIC HEARING

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is also for the Minister of Energy, Mines and Resources. Is it government policy or for that matter the minister's policy to permit an important regulatory body under his jurisdiction, namely the Atomic Energy Control Board, to completely reverse a very important decision to stop nuclear waste dumping in an area, after it has received continued representations from the local member in this House, the local provincial member and the local municipality reinforcing their original decision? Is it government policy to permit them to reverse that decision without any type of a public hearing or opportunity for input from those local groups?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. member were to consider

his question, I think he would realize that he rather over-stated the premise. He would find that rather than reversing its decision, the Atomic Energy Control Board in fact reaffirmed its intention to ensure there would be the kind of clean-up which he, as the representative of the area, and those on the government side are concerned about, that is to say the permanent management of a waste disposal site which will look after the continuing wastes from the important Port Hope refinery. The Atomic Energy Control Board has extended by six months the deadline which they had earlier placed on January 31.

Mr. Lawrence: Why is a decision of that importance made by an agency under the minister's jurisdiction without the opportunity of public hearings?

Mr. Gillespie: Mr. Speaker, if the hon. member were to review the Atomic Energy Control Act he would find there is no provision for public hearings by the Atomic Energy Control Board. He raises an important point. Perhaps I can take this opportunity to assure him that work is going on now with respect to amendments to the Atomic Energy Control Act which will in fact provide that kind of authority to the Atomic Energy Control Board so that it can hold public hearings in the future. There are many other reforms I hope to be able to present to this House in the very near future.

Mr. Lawrence: Why then would the Atomic Energy Control Board have a public hearing to which it invited public groups to make their representations one week after the decisions was made?

Mr. Gillespie: Mr. Speaker, I think the Atomic Energy Control Board was explaining, and I applaud them for having taken that step, to the people concerned their approval with respect to a six month extension and that the whole question of the possibility of a refinery was dependent upon just not one decision, but a series of approvals by provincial government agencies and federal government agencies, including their own.

* * *

ENVIRONMENTAL AFFAIRS

CLOSURE OF ENGLISH-WABIGOON RIVER SYSTEM TO SPORT FISHING—GOVERNMENT POSITION

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of the Environment to whom I have given notice. Is it the intention of the Minister of the Environment and Fisheries to close down unilaterally, without the formal request of the government of Ontario, sports fishing in the English-Wabigoon river system in northwestern Ontario?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, I thank the hon. member for giving me notice of this question. The minister met late last week with the minister of the environment for Ontario to discuss this matter and other serious problems we have in common with that government. The minister has not yet made a decision on this serious situation. He has, however, asked me to assure the House and the hon. member that he will not do so on a unilateral basis.

* * *

ENERGY

MACKENZIE VALLEY PIPELINE—FINANCIAL COMMITMENT TO CANADIAN ARCTIC GAS PIPELINE COMPANY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It arises from the news this morning that the Federal Power Commission in the United States has approved the Mackenzie Valley pipeline as the best means of transporting natural gas from Prudhoe Bay to the United States. In view of the fact the Canadian Arctic Gas Pipeline Company have asserted that they must have financial guarantees from the Canadian government before they can proceed, I ask the minister if the government has made a final decision with regard to the granting of financial guarantees to this company? If so, what is the nature of that decision?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the federal government has not made any decision, financial or otherwise, with regard to financial guarantees for any of the applicants before the NEB. Clearly, it would be premature for us to have done so. It is important as well to correct the impression that the hon. member has inadvertently created, that the Federal Power Commission has decided in favour of one of the applicants before them. Judge Litt has been acting on behalf of the board. His staff made a representation, he made a report and his report will now be considered by the Federal Power Commission which, in turn, will make a recommendation to the President. Quite clearly, a series of decisions have still to be taken by the United States agencies.

Mr. Douglas (Nanaimo-Cowichan-The Islands): It is apparent that the present hearings before the National Energy Board are a farce and a waste of time unless the company which so far seems to have the inside track knows whether or not it is going to get financial guarantees. I ask the minister how soon a decision will be made so that Arctic Gas can either withdraw its application or proceed with the knowledge that it will not get financial guarantees from the Canadian government.

• (1440)

Mr. Gillespie: Mr. Speaker, I suppose it is important to point out to the hon. member that before any decision could be taken by the federal government on an important matter of this kind, the Canadian government would want to have received a formal application from one of the applicants seeking a guarantee of financial assistance. To my knowledge, no request has been forwarded to us, nor have we received one.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A final supplementary question, Mr. Speaker. Is the minister saying, then, that no financial guarantees have been given and that no financial guarantees will be given prior to the National Energy Board bringing down its recommendation with respect to the application by Arctic Gas for the construction of a pipeline from the Mackenzie River delta?

Mr. Gillespie: Mr. Speaker, I said that we have not yet received a formal request from the CAGPL consortium for financial guarantees.

* * *

CRIMINAL CODE

PUBLICATION CONTAINING PROVISIONS WHICH HAVE NOT BECOME LAW

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Justice a question. A Toronto legal publisher has distributed a pocket version of the Criminal Code, still in circulation, that includes the gun control provisions of the former Bill C-83 and other provisions. I have been advised that certain police in the Toronto area and other areas have been showing this book to citizens. In light of the foregoing, is the minister, therefore, aware of this unusual practice and, if so, will he make it clear that his department does not approve of the practice of publishing a book containing provisions, which appear to be law, of a bill that died on the order paper when parliament was prorogued?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I presume that while the hon. member has not given names he is referring to a private publisher. I think he will appreciate that neither I nor the government control what private publishers may publish. If they have in fact published a book that purports to be the Criminal Code, and which is not the Criminal Code as passed by this parliament and given royal assent, then it is very unfortunate and I would ask them to withdraw it.

Mr. Woolliams: Then, may I put this to the Minister of Justice. As the top legal administrative officer of Canada he will appreciate that if a book is published as the Criminal Code which sets out provisions that died on the order paper and never got the approval of this institution or the royal proclamation, that in itself would be misrepresentation to the citizens of Canada, and of course we know that ignorance of the law is no defence.

* * *

CUSTOMS

ACTION TO CONTROL IMPORTATION OF PORNOGRAPHIC MATERIAL

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is to the Minister of National Revenue. Has the minister met with church leaders from Toronto with respect to the importation of material which the Minister of Justice confirmed yesterday is in contravention of section 159 of the Criminal Code, and, as a result of such meeting, what action is the minister taking to stop this illegal activity?

[*Translation*]

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, I did in fact have a meeting of slightly over an hour this morning with the representatives of an interdenominational group from Toronto at which they expressed the concerns of many Canadians. The hon. member wants to know whether we have taken steps in this regard. I explained to my visitors what we had done and took them to the departmental unit where those censorship measures are taken under the Customs Act. We then explained the purpose of our censorship which differs from that of the Department of Justice. I also explained how much I needed the full cooperation of the provincial solicitors general. The latter assured me of their cooperation but they will surely, if I am not mistaken, assume their share of the responsibility.

On the other hand, the committee made a very useful suggestion to me, namely that the ports of entry into Canada for trucks bringing in that literature be reduced to two or three and be located in Ontario, Quebec and British Columbia where, if I may express myself in those terms, we could specialize in the matter.

* * *

[*English*]

TRANSPORT

DELIVERY OF BLACKLIST OF EMPLOYEES TO MINISTER—DISCUSSION WITH FORMER SOLICITOR GENERAL

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Transport which follows upon the questions asked earlier by the hon. member for Winnipeg North Centre. It having been reliably reported that the former solicitor general, now Minister of Supply and Services, personally hand-delivered the EPO list and the letter accompanying it to his colleagues whose names are mentioned, has the hon. gentleman now refreshed his memory and can he recall receiving that list personally from the former solicitor general; and at the time of this personal delivery was there a discussion between the two ministers as to the list and its contents?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, obviously I would not generally comment upon discussions between privy councillors, but I can repeat what I said in the House the other day, that I have no recollection of having seen the proposed letter that was read into the record by the hon. member's colleague, if that is still the letter to which he refers.

Mr. Baldwin: A supplementary question, Mr. Speaker. I would ask the minister to come to the point. If he cannot recall directly, then can he recall the Minister of Supply and Services, the then Solicitor General, hand-delivering to him the

letter dealing with this issue, and was there any discussion between the two ministers at that time? I am not asking what the discussion was, but was there a discussion between the two hon. gentlemen at the time?

Mr. Lang: Mr. Speaker, I think the hon. gentleman will see, if he looks at my answer, that the first part of the answer dealt with that matter. I would not ordinarily comment on discussions held between privy councillors.

* * *

PUBLIC SERVICE

INTERPRETATION OF RULE CONCERNING INFORMING PEOPLE CONSIDERED SECURITY RISK

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Acting Prime Minister, when he returns from Cape Breton, or wherever he is now.

Mr. MacFarlane: He is delivering something to Fundy-Royal.

Mr. Fairweather: I think he is delivering that list. This is a pretty serious matter.

Mr. MacFarlane: Be serious, then, if it is serious.

Mr. Fairweather: You have just had a substantial increase in pay; I hope you will live up to it.

Some hon. Members: Hear, hear!

Mr. MacFarlane: The hon. member for Hamilton Mountain would never be that rude and the hon. member knows it. Apologize.

Mr. Fairweather: Mr. Speaker, I want to ask the Acting Prime Minister, is it the position of the government that dismissal is a condition precedent to the operation of what surely we would all classify as the very humane and wise decisions of the former prime minister. Is the condition that a public servant has to be dismissed? If that is the condition, I must say that the civil liberties of many public servants have been seriously jeopardized and it is an unacceptably narrow view of the former prime minister's guidelines.

Hon. Allan J. MacEachen (Acting Prime Minister): No, Mr. Speaker, that is not the point at all.

Mr. Fairweather: What were you saying earlier, then?

Mr. MacEachen: The hon. member ought once again to read what the former Prime Minister said when he referred to the new requirements. The first of the new requirements is to inform the person involved when his security or his reliability is in doubt, and it may have to involve his dismissal.

Mr. Fairweather: That is the point; answer that.

[Mr. Baldwin.]

Mr. MacEachen: I said "and may have to involve his dismissal". Obviously, in this particular case the information that was drawn to the attention of the ministers was not of such a character that it would raise in anyone's mind the possibility of dismissal.

Mr. Stanfield: Just destroy their careers.

Mr. MacEachen: The hon. member for Halifax says "just destroy their careers". That is an irresponsible statement because the letter was circulated within the government as a secret, confidential letter among ministers. If there is any destruction of career involved, it must be attributable to those who divulged this sensitive document.

Some hon. Members: Hear, hear!

GOVERNMENT POSITION ON INFORMING PEOPLE WHOSE NAMES ON BLACKLIST

Hon. Robert L. Stanfield (Halifax): A supplementary question, Mr. Speaker, I should like to ask the Acting Prime Minister whether a communication placed in the hands of a minister of the government and, when you add it up, involving several ministers and people does not constitute a threat to the future career of a public servant, whether in fact it turned out that way or not; and is it not consistent with the civil libertarian attitudes that this government and other governments have professed in this country to give such a person notice that such a charge has been made against them, whether it involves his dismissal or not?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I believe the Leader of the Opposition has raised the question of the effect of any information on the career of an individual. I believe that is the very serious question to which the former Prime Minister addressed himself very thoroughly in the guidelines which we have had under discussion. What I have said is a very faithful interpretation of these guidelines. It is not intended—at least, in my opinion it is not intended—that if there is adverse information about any public employee of any kind, it would necessitate either the responsible department having an interview with him or the security service having an interview with him. It is the type of information that would constitute in the mind of the person responsible for a judgment the opinion that it would so prejudice that person's reliability or his security standing that his continued service with the government would be put in jeopardy. It is in that context that Mr. Pearson's guidelines must be understood.

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TRANSPORT

MEASURES TO ENSURE SAFE OPERATION OF OIL TANKERS IN CANADIAN WATERS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Transport. In light of the large number of oil spills it is now evident that tighter control

of marine shipping and the offloading of petroleum products is required in order drastically to decrease the now large numbers of tanker accidents which interfere, on a long range basis, with the reproductive capacity of fish and cause their immediate, direct mortality. Since killing one or more species of sea life can affect other links in the oceanic food chain, and kill seals, whales, wild geese, ducks, gulls, etc., is the minister giving any consideration to the need for requiring substantial improvements in the vessel piloting system of ships entering our waters; is he giving consideration to requiring new ships to be double hulled for the protection of the environment, plus ensuring that the quality and number of licensed ships officers are maintained at a high level, which is not always the case when they are serving on ships that fly flags of convenience; and finally, will he ensure that comprehensive liability insurance be made mandatory to discourage carelessness and to cover those suffering damage from accidents?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, these matters are constantly being reviewed. As I have indicated to the House earlier, we have in Canada some of the firmest regulations regarding standards for equipment, construction of vessels and the certification of masters and others in charge of vessels entering Canadian waters.

• (1450)

We have also put into place the ECAREG system on the east coast whereby as ships approach our waters they are required to report and the whole system of computer information is available to determine the past history of the vessel and whether there are any risks concerning it. This is followed up by inspections when the ships are in Canadian ports to make sure these regulations are very effective. I can assure the hon. member that we have these concerns very much in mind and that Canada stands in the forefront in attempting to do what it can on its own in relation to the quality of ships entering our waters. It will take international action to ensure that similar action is taken on a broader scale throughout the world.

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ATOMIC ENERGY OF CANADA LIMITED

ALLEGED EXISTENCE OF LIST OF COUNTRIES TO WHICH REACTORS MAY BE SOLD

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Acting Prime Minister. It arises out of testimony before the Public Accounts Committee by the former president of the Atomic Energy Commission. Has the government prepared, and the cabinet approved, a list of countries with which it is proper for the Atomic Energy Commission to deal in terms of selling nuclear reactors abroad?

Hon. Allan J. MacEachen (Acting Prime Minister): I do not know of any such list, but I know that there are criteria which normally apply with respect to sales of reactors abroad. We have frequently discussed in the House criteria arising from the possibility of nuclear proliferation. These are among the tests which would be applied in all circumstances. But I am not aware of any such list as the hon. member has mentioned, though one may exist.

Mr. Gillies: Mr. Speaker, given the fact that a clear indication was provided this morning that such a list is available, would the Acting Prime Minister check and report back whether there is, indeed, such a list, and make it public so that the people may know with what countries AECL can deal?

Mr. MacEachen: Yesterday, I believe I intimated that I took a pretty dim view of the notion of pursuing the same inquiry in two places. One of the purposes of the standing committees is to pursue such inquiries apart from the House of Commons. If we rehash in the House of Commons what we do in committees, we might as well drop the idea of having committees.

Mr. Speaker: I have paid careful attention to the questions asked. Questions can be asked which are in conflict with the proceedings before the committee. However, it is also possible to ask questions which are, really, only incidental to proceedings before a committee and which ought to stand on their own two feet. I thought the two questions asked by the hon. member were in that category.

Some hon. Members: Hear, hear!

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CORPORATE AFFAIRS

APPLICATION OF UNITED STATES LAW TO CANADIAN SUBSIDIARIES—GOVERNMENT ACTION

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the evidence by a senior U.S. official before a sub-committee of the United States Congress, which I have here, that the United States government continues to require subsidiaries of American firms to hold licences from that government to trade with Cuba, even in agricultural and other products completely of Canadian origin, will the minister ensure without further delay that the director of the combines branch take immediate steps to apply the new provisions in the Combines Act designed to block this unacceptable, extraterritorial application of foreign law to Canadian business activity?

Some hon. Members: Hear, hear!

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am unfamiliar with this report and would like to take the question as notice.

[*Translation*]

MANPOWER

CANADA WORKS PROGRAM—POSSIBILITY OF DELAYING DEADLINE FOR APPLICATIONS FOR PROJECTS

Mr. Armand Caouette (Villeneuve): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration.

As there have been delays in the distribution of forms and literature concerning the Canada Works Program, can the minister tell the House whether he is willing to extend the date of eligibility for those projects and so allow a larger number of groups to present projects under that employment program?

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, as a result of representations from the hon. member for Algoma, the hon. member for Niagara Falls, the hon. member for Churchill, the hon. member for St. John's East and, now, from the hon. member across the way, I have indicated I am prepared to look at it, given the adverse weather conditions at the present time. Excuse me, Mr. Speaker, I should have mentioned, also, the hon. member for Saint-Denis. We have something in excess of $30 million in applications but I would prefer to wait until Friday before making a final determination.

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IMMIGRATION

REQUEST FOR TABLING OF DEMOGRAPHIC STUDIES ON WHICH NATIONAL POPULATION POLICY BASED

Mr. Jake Epp (Provencher): Mr. Speaker, I will direct my question to the Minister of Manpower and Immigration. The special joint committee on immigration policy stated, and I quote:

The committee recommends that immigration in future be treated as a central variable in a national population policy.

Will the minister table the government's demographic studies on which its well hidden national population policy is based in order that this information might be at the disposal of the House during second reading debate on Bill C-74?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I will consider it.

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AGRICULTURE

REQUEST FOR INVESTIGATION OF MEAT BROKERAGE BUSINESS AND REFERRAL OF QUEBEC MEAT INQUIRY REPORT TO COMMITTEE

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a question for the Minister of Agriculture. It arises from a report that a former Montreal meat magnate is being detained by the Quebec Police Commission Inquiry into organized crime. Will the minister request the Solicitor General to investigate the entire meat brokerage business which has created uncertainty and dissatisfaction within the meat industry?

• (1500)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, according to what I have read about the Quebec meat inquiry, the courts are handling it and seem to be doing a fairly good job. I am sure the Solicitor General is aware of the trial and any possible federal involvement.

Mr. Towers: In the interim, would the minister consider having the report of the Quebec meat inquiry presented to the Standing Committee on Agriculture?

Mr. Whelan: Mr. Speaker, I have made my feelings known. That report is not mine.

LEVELS OF PBB FOUND IN BEEF IMPORTED FROM MICHIGAN—GOVERNMENT ACTION

Mr. Lorne Nystrom (Yorkton-Melville): My question is for the Minister of Agriculture. It is my understanding that the tests on the Michigan beef that has been imported to this country done by scientists in the last few days have shown that traces of the chemical PBB have been found. I should like to know from the minister whether he can tell the House what levels of PBB have been found in that beef and what will the government do about it.

Hon. E. F. Whelan (Minister of Agriculture): We have received the results of the tests on the 77 carcasses that were in retention and only one of the carcasses has shown a significant level of PBB. It has been condemned and the rest have been released. We will still be running tests on beef from Michigan. All the carcasses will be tested. We are also running random tests on cattle from southwestern Ontario and western Canada. The tests on this cattle have shown no traces of PBB at all, but we will continue to monitor beef and make sure that it is safe for human consumption, in co-operation with other departments concerned.

ROUTINE PROCEEDINGS

[*English*]

RESOURCES

TABLING OF COMMUNIQUE AND MEMORANDUM RESPECTING OFFSHORE MINERAL RESOURCES OF MARITIME PROVINCES

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to table, under Standing Order 41(2), copies in both official languages of a joint communique and the federal-provincial memorandum of understanding in respect of the administration and management of mineral

resources offshore of the maritime provinces, which was signed today.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 921, 1,009, 1,010, 1,018, 1,045, 1,090, 1,268 and 1,389.

[*Text*]

CANADIAN LOAN AGREEMENTS WITH DEVELOPING COUNTRIES

Question No. 921—**Mr. Howie:**

With respect to the five-year strategy for international development co-operation, to which countries and in what amounts is Canada offering loans at (a) no interest (b) 3% interest?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): The following statement indicates that Canada has signed loan agreements having terms at 0 per cent interest, 10 years grace and 50 years maturity with 27 developing countries in 1975/76 for a total dollar value of 237.7 million. Similarly, three countries received terms at 3 per cent interest, seven years grace and 30 years maturity for a total of 6.4 million dollars in the same fiscal period.

New Loans and Loan Increases Signed in Fiscal Year 1975/76
(Millions of Canadian Dollars)

	Face Value of Agreements	
	At 0 per cent Interest	At 3 per cent Interest
Algeria	0.2	
Antigua	2.7	
Barbados		3.1
Belize	1.0	
Benin	5.0	
Botswana	2.0	
Cameroon	37.0	
Colombia	5.0	
Grenada	0.9	
Guatemala	0.5	
Guyana	2.1	
India	12.9	
Indonesia	27.0	
Jamaica	0.4	
Malawi	6.5	
Mali	6.7	
Mauritania	4.2	
Niger	11.1	
Pakistan	61.2	
Peru	5.0	3.0
St. Vincent	0.5	
Senegal	3.8	
Sri Lanka	12.4	
Tanzania	1.7	
Trinidad and Tobago		0.3
Tunisia	12.5	
Upper Volta	3.7	
Zaire	1.7	
Zambia	10.0	
Total	237.7	6.4

Order Paper Questions

CMHC—ASSISTANCE TO INDIANS AND METIS, N.B.

Question No. 1,009—**Mr. Howie:**

1. What amount has been paid by CMHC either by loans or grants with respect to housing for Indians on reservations in (a) Fredericton (b) Kingsclear (c) Oromocto, New Brunswick?

2. What housing assistance is available from CMHC for persons on the reservations and how many applications have been received since January 1, 1975?

3. How many loans or grants were made by CMHC for housing for Metis or non-status Indians in New Brunswick since January 1, 1975 and what are the locations?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation, as follows: 1. Loans or grants with respect to housing have not been made to Indians on reserves in (a) Fredericton (b) Kingsclear (c) Oromocto, New Brunswick.

2. Assistance from CMHC for housing is available to persons on reservations through loans under various sections of the NHA, such as Section 15.1 and Section 59. Since January 1, 1975, three loans for $63,000 have been approved under Section 59.

3. (a) For loans to Non-Status Indians since January 1, 1975, see table following. (b) Grants under Part V of the NHA, to Metis and Non-Status Indians, since January 1, 1975, have been approved as follows: Skigin-Elnoog Housing Corporation:—sustaining grants $258,400; Skigin-Elnoog Housing Corporation:—start-up grant re project in Southwood Park, Fredericton $10,000; Skigin-Elnoog Housing Corporation:—grant to conduct a survey on housing needs $1,136. (c) Financing under Section 40 of the NHA for housing for Metis and Non-Status Indians since January 1, 1975, have been approved as follows: Skigin-Elnoog Housing Corporation:—to purchase and renovate 35 existing units at various locations $490,000.

Order Paper Questions

Financing under the National Housing Act, Housing for Metis and non-status Indians, New Brunswick, 1975-September 1976

Location	Section 58[1] Loans	Units	$000	Section 40[2] Loans	Units	$000
Burton (Parish)	1	1	20	1	3	77
Chatham	1	1	18	—	—	—
Fredericton	4	4	100	—	—	—
Gagetown (Parish)	—	—	—	1	5	158
Kent (Parish)	1	1	3	—	—	—
Kingsley Road (York Co.)	—	—	—	1	9	285
Ludlow (Parish)	1	1	4	—	—	—
Minto	—	—	—	1	4	99
Saint John	1	1	26	—	—	—
Westfield (Parish)	—	—	—	1	4	110

[1] Existing housing.
[2] New housing.

SENIOR CITIZENS' HOUSING FINANCED BY CMHC—YORK AND SUNBURY COUNTIES, NEW BRUNSWICK

Question No. 1,010—**Mr. Howie:**

1. Since January 1, 1975, what amount has CMHC spent for senior citizen housing in the county of (a) York (including Fredericton) (b) Sunbury County, New Brunswick?

2. Have any applications been received from Oromocto, New Brunswick and, if so, what decision was made?

3. Since January 1, 1975, has CMHC held any meetings to acquaint persons in Oromocto with its programme for senior citizen housing and, if so (a) on what dates (b) in what locations?

4. Since January 1, 1975, have any advertisements been placed in the news media to advertise CMHC senior citizen programmes and, if so, in which publications and on what dates?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. Since January 1, 1975, CMHC has approved loans for senior citizens' housing as follows: (a) York County—two loans for 40 units and 30 hostel beds, totalling $1,157,000. (b) nil.

2. No applications for senior citizens' housing have been received from Oromocto, N.B.

3. Since January 1, 1975, CMHC has held a number of meetings with representatives of the Oromocto Non-Profit Housing Corporation, to acquaint them with details of its programmes for senior citizens' housing, as follows:

(a)	(b)
March 12, 1975	Fredericton
June 10, 1975	Fredericton
July 7, 1975	Oromocto
September 8, 1975	Oromocto
October 8, 1975	Oromocto
December 1, 1975	Fredericton
May 6, 1976	Fredericton
May 17, 1976	Fredericton
June 22, 1976	Fredericton
August 24, 1976	Oromocto
September 7, 1976	Oromocto

4. Since January 1, 1975, CMHC has not placed advertisements in the news media to advertise its senior citizens' housing programmes.

CANADA COUNCIL GRANTS TO PROFESSOR JACQUES BROSSARD

Question No. 1,018—**Mr. Baker (Grenville-Carleton):**

1. Did the Canada Council provide funds to Professor Jacques Brossard of the University of Montreal to study the legal steps by which a province could separate from Canada and, if so (a) in what amount (b) under what programme or policy (c) on whose recommendation?

2. Have any similar studies been carried out under the auspices of the Canada Council by academics who were not committed separatists?

Hon. John Roberts (Secretary of State): I am informed by the Canada Council as follows: 1. See answer to Question 893 answered November 29, 1976.

2. Several studies relating to federalism or Quebec nationalism have been carried out under the auspices of the Canada Council but none of these are directed specifically to the question studied by Professor Brossard. The authors of those studies were not required, any more than Canada Council grantees in other fields, to state their political affiliations.

HOME IMPROVEMENT LOANS—YORK AND SUNBURY COUNTIES, NEW BRUNSWICK

Question No. 1,045—**Mr. Howie:**

How many home improvement loans were made to residents in the Counties of York and Sunbury, New Brunswick including all municipalities in the Counties and what was the total amount loaned in each fiscal year ending March 31 (a) 1974 (b) 1975 (c) 1976?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows:

Home Improvement Loans approved, NHA section 28
Sunbury and York Counties, New Brunswick, 1973-75

County		No of Loans	Amount $000
Sunbury	1973	13	37
	1974	11	28
	1975	10	30
York	1973	79	216
	1974	88	214
	1975	71	286

NOTE: The fiscal year of CMHC is the calendar year.

AIR CANADA—FEMALE EMPLOYEES

Question No. 1,090—Mr. Howie:

1. For each fiscal year ending March 31 (a) 1970 (b) 1974 (c) 1976, how many female persons were employed as new personnel by Air Canada to serve as stewardesses or flight attendants and how many were residents of New Brunswick?

2. How many New Brunswick residents applied for employment in each category?

Hon. Otto E. Lang (Minister of Transport): The Management of Air Canada advises as follows: 1. (a) Not available. (b) Records for the years prior to 1974 are not available. However, between January 1 and December 31, 1974, a total of 146 were employed, of which five were residents of New Brunswick. In addition, 115 were employed for the summer period only. The company hires this latter group only from cities in which there is an in-flight base, allowing these short term employees to reside at home. Therefore, none were residents of New Brunswick. (c) Between January 1 and December 1, 1976, a total of 178 were employed, of which three were residents of New Brunswick. In addition, 60 were employed for the summer period only, none were residents of New Brunswick.

2. The term "flight attendant" is synonymous with stewardess, but also includes males because Air Canada has no employment restrictions for this category with respect to age, sex or marital status. Also, statistics are kept only on those candidates who were actually interviewed or who were hired. Further, flight attendant applications expire after six months and the application must then be renewed. No records of expired applications are retained. Total flight attendant interviews, New Brunswick—1970, not available; 1974, 60; 1976, 58.

COMBINES INVESTIGATION ACT

Question No. 1,268—Mr. Towers:

1. Did the Combines Investigation Branch initiate an inquiry into the grain industry and, if so, on what basis or at whose instigation?

2. Was there evidence of wrongdoing on the part of grain co-operatives and, if so, what are the details?

3. Did an infraction occur due to an inadequacy or deficiency in the control of grain sales under the Canada Grains Act?

4. (a) Are the salaries of officials of co-operatives tied to profit (b) is there evidence of fraud on the part of any individual (c) have producers paid all profits?

5. On what grounds was the investigation authorized?

6. Did the Canada Grains Commission fail to fulfill its duties and responsibilities?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): In August, 1976, the General Manager of Manitoba Pool Elevators issued a press release and made public the fact that an inquiry into the affairs of a number of grain companies had been commenced. In the circumstances the Director of Investigation and Research (Combines Investigation Act) acknowledges this. However, the privacy provisions of the Act preclude him from making any further comments on the matter apart from saying that the inquiry was commenced pursuant to section 8 of the Combines Investigation Act.

NATIONAL DEBT—CANADIAN AND FOREIGN CREDITORS

Question No. 1,389—Mr. Lambert (Bellechasse):

1. What was the total national debt as of March 31, 1976?

2. With reference to Canadian creditors, how many are (a) individuals (b) chartered banks (c) life insurance companies (d) other financial organizations and, in each case, in order of importance (i) who are they (ii) what is the amount of the debt?

3. With reference to foreign creditors, in order of importance (a) who are they (b) what is the amount of the debt in each case?

4. In each case of compound interest (a) what is the rate (b) for how long was the loan made (c) what are the terms of repayment?

5. In each case of simple interest (a) what is the rate (b) for how long was the loan made (c) what are the terms of repayment?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): 1. $38,299 million.

2. At March 31, 1976 (a), (b), (c) and (d) Statistics on number of holders are not maintained. However, refer to the Bank of Canada Monthly Review Section 22 for distribution of dollar amounts.

3. Not available.

4. Not available.

5. Not available.

Mr. Goo ask that the remaining questions be allowed to stand.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 148, 324 and 1,086 could be made orders for returns, these returns would be tabled immediately.

[*Text*]

DEPARTMENT OF THE ENVIRONMENT—ADMINISTRATION CONTRACTS

Question No. 148—Mr. Orlikow:

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Department of the Environment?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Return tabled.

Employment and Immigration

AIB—CASES BEFORE BOARD

Question No. 324—**Mr. Orlikow:**

How many times has the Anti-Inflation Board or individual members of the Board met with officials of companies or unions in relation to cases before the Board, and what are the names of the companies, unions or their officials in each case?

Return tabled.

PERSONNEL AT FREDERICTON, GAGETOWN, OROMOCTO, NEW BRUNSWICK

Question No. 1,086—**Mr. Howie:**

1. Since January 1, 1974, how many persons have benefited from on-the-job training under manpower programmes in (a) Fredericton (b) CFB Gagetown at Oromocto (c) Oromocto, New Brunswick?

2. With what firms were the trainees employed?

3. What was the total amount paid in respect of all trainees for each of these employers during the same period?

Return tabled.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT AND IMMIGRATION REORGANIZATION ACT

MEASURE TO ESTABLISH DEPARTMENT OF EMPLOYMENT AND IMMIGRATION, ETC.

Hon. Jack Cullen (Minister of Manpower and Immigration) moved that Bill C-27, to establish the department of employment and immigration, the Canada employment and immigration commission and the Canada employment and immigration advisory council, to amend the Unemployment Insurance Act, 1971, and to amend certain other statutes in consequence thereof, be read the second time and referred to the standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, I intend to concentrate my remarks today on the two main objectives of Bill C-27, the employment and immigration reorganization act, and to outline the basic reasons underlying the changes proposed in the bill. The first objective is to bring about the integration of the Department of Manpower and Immigration and the Unemployment Insurance Commission. The second is to introduce certain changes into the unemployment insurance program.

On the subject of integration, Mr. Speaker, the main question I have had in my mind as the new minister of this complex portfolio is why integration is now appropriate, bearing in mind the decision taken about ten years ago to separate the employment service from the Unemployment Insurance Commission. A central factor is that conditions in the Canadian society—economy and the labour market of the late 1970s—are significantly different than they were in the late 1960s.

During the last decade there has also been an important evolution in our manpower programs and in unemployment insurance. Manpower services generally, and in particular the counselling, placement, training and mobility programs, as well as the newer job-creation programs, have greatly strengthened and matured. At the same time, the unemployment insurance program has been extended to cover almost the entire labour force and has come to play a much more significant role in the operation of the Canadian labour market and the Canadian economy. Indeed, we now have some of the most advanced employment and insurance programs in the world.

As a result of these changes, Mr. Speaker, the destinies of the Department of Manpower and Immigration and the Unemployment Insurance Commission have become ever more closely linked. Indeed, the complementary nature of the work of the two organizations is illustrated by the fact that half of the claimants for unemployment insurance benefits now register with Canada manpower centres. Such claimants constitute 70 per cent of the total clientele of CMCs.

As a result of these developments, the two organizations have come to co-operate more and more closely, and ways have been developed to harmonize their programs and activities. This has been reflected, for example, in increased efforts to expose UI claimants to the counselling and job placement facilities of CMCs. While this harmonization and co-operation have yielded significant and positive results, it has become clear that a unified management is required to provide the best services to the Canadian public.

Specifically, we believe that integration will lead to substantial improvements to services through, first, a rationalization of the present network of local offices of the Unemployment Insurance Commission and the Department of Manpower and Immigration; second, the conversion of most service points into one-stop centres where the complete range of services of the two organizations would be available to the public; third, the faster and more systematic exposure of clientele to employment services; and lastly, a simplification of the documentation required of clients and a streamlining of the procedures to be followed by them in using the services provided under the employment and insurance program.

It is also important to bear in mind, Mr. Speaker, that the immigration program has had, and will continue to have, a far-reaching impact on the Canadian labour market. Thus, the inclusion of immigration in the mandate of the new organization will be essential to the achievement of an integrated approach to the development of employment programs. I say this recognizing, of course, the important social objectives and consequences of our immigration program.

The new integrated organization will consist of both a commission and a small support department. The new Canadian employment and immigration commission will be responsible for the administration of labour market programs and the policies underlying those programs. These will include the payment of benefits under the unemployment insurance program, immigration, recruitment, selection, settlement, enforce-

ment and control, placement, counselling and training, and the administration of other employment programs such as direct job-creation. It will also provide the administrative support functions for both the commission and the department. The support department of employment and immigration will be responsible for strategic policy development, program evaluation, labour market research and information services. It will help to ensure the closest possible linkages between labour market policies and program and the government's over-all economic and social strategies.

● (1510)

The effective fulfillment of the mandate of the commission will continue to require close co-operation and consultation between government, labour and business. Thus, the well-established policy of tripartite consultation and co-operation will be continued through the representation of workers and employers in the new commission. Indeed, the potential for effective co-operation will be enhanced, since the authority of the new commission will extend not only to the unemployment insurance program but also to labour market programs generally as well as immigration matters.

In this connection, Bill C-27 also makes provision for the establishment of a new Canada employment and immigration advisory council. Personally, I attach the highest importance to the role to be played by the new advisory council in terms of the government's approach to co-operation with the private sector in general and labour and management in particular. That is why I intend to recommend that high-level representatives of labour and management be appointed to the council, people with full authority to speak in the name of those whom they represent. In addition, there are many individuals in the community who are not directly representative of labour or management and who have significant contributions to make to the discussions on issues related to the Canadian labour market. They will also be given an opportunity to participate in the work of the council.

I should like to turn now to the second main purpose of Bill C-27, which is to introduce certain changes to the unemployment insurance program. There are three major changes proposed: first, an increase in the number of weeks required to qualify for UI benefits, so-called entrance requirement, from eight weeks to twelve; second, a change in the benefit structure which is the framework used to determine the duration of a claimant's entitlement to benefit; third, the authorization of more productive or developmental uses of unemployment insurance funds, including the use of such funds as income maintenance for claimant's participating in approved training courses, job-creation projects and work-sharing programs.

The eight-week entrance requirement to our unemployment insurance program has certainly been one of its more contentious issues on which there has been extensive discussion. For example, I have received briefs and letters strongly recommending that the requirement be increased to as many as 20 weeks. I have received equally strong recommendations that there should be no change. Those who have argued for an increase in the entrance requirement have done so mainly on the basis of concern about the incentive to work. An examination of the characteristics and behaviour of claimants with eight to eleven weeks of insured employment—the so-called "eight to eleven weekers"—strongly suggests that an increase in the entrance requirement would constitute for many of them an incentive to work longer. In general, eight to eleven weekers are younger than average, without dependants, and many are secondary earners in families. Basically, they have what might best be described as an intermittent or unstable attachment to the active work force.

The current entrance requirement, which is one of the most generous of any country in the world, provides an all too readily available financial inducement reinforcing unstable work patterns. In light of these characteristics and behaviour of eight to eleven weekers, it is not unreasonable to expect that a substantial proportion of them will work an additional one to four weeks required to qualify for the new twelve-week entrance requirement. For those who do not, we consider that there are other programs which are preferable alternatives to meeting their needs. These are the kinds of programs I announced in the employment strategy, ranging from the rehabilitative measures of training to actual employment in job-creation projects.

Another question which has been asked is: Why choose 12 weeks rather than, say, 15 or 20 weeks?

An hon. Member: Or 30.

Mr. Cullen: Our investigations have indicated that the eight to eleven weekers receive a significantly higher degree of subsidization from the unemployment insurance account and have a much more unstable attachment to the labour force than any other category of insured worker. In light of these factors, our judgment is that the twelve-week entrance requirement is, on balance, the most appropriate.

The second proposed change is the introduction of a new benefit structure. This will have several advantages. It will be simpler than current arrangements. It will be based on three phases, two of which are related to the number of weeks of insured employment and the third of which is related to local unemployment conditions. This will facilitate an easier comprehension of benefit entitlement and will simplify administration of the act. The new arrangements for benefit entitlement will also be more equitable. In particular, there will be a better balance between the number of insured weeks that a claimant has, and the number of weeks of benefit to which he is entitled in the initial phase of his claim. Provision will continue to be made for additional benefits for those with a longer labour force attachment. Finally, entitlement to regionally extended benefits will be much more sensitive to local unemployment conditions because it will be based directly on regional unemployment rates.

Thus, the new benefit structure is designed to curtail benefit entitlement to those with a relatively short labour force attachment living in regions of low unemployment. At the same time, it is designed to maintain appropriate insurance protection to

those with longer labour force attachment as well as to those claimants who reside in regions of high unemployment.

Other changes will also be introduced into the benefit structure to enhance the motivation for work. For example, we propose to eliminate the four-week rule which now results in a claim being terminated if a claimant returns to work for four weeks in the extended benefit phase. This rule has proved to be a disincentive for claimants to return to employment, particularly when there is some uncertainty about the duration of that employment.

The changes in the entrance requirement and the benefit structure must be considered in the context of our over-all employment strategy. The savings arising out of these changes in the UI program will be redirected to programs designed to create new employment opportunities as well as to help prevent unemployment. In this way we will achieve a more effective allocation of resources in support of a range of employment programs tailored to meet the needs of those individuals, groups and areas of the country most seriously affected by unemployment.

There are a number of other specific amendments to the Unemployment Insurance Act which are proposed. For example, the right to appeal decisions of boards of referees will be broadened to give all claimants and employers the right to request an appeal to the umpire against the unanimous decision of the board of referees. At present, only claimants and employers represented by associations can appeal such decisions as a right. This amendment will be implemented after changes have been introduced in the appeal system in light of the findings and recommendations of the Law Reform Commission. I should also explain that Bill C-27 makes provision for an increase in the number of Federal Court justices who can hear appeal cases, in order to reduce the number of outstanding appeals.

The final area of proposed change in the unemployment insurance program is the introduction of authority to use unemployment insurance benefits in more directly productive or developmental ways. In this connection I should stress that unemployment insurance will continue to provide a vital measure of income protection to unemployed workers while they conduct an active job search to locate the most suitable and satisfying employment available to them. In this way the program plays a very productive role in Canadian society in maintaining skills, preserving dignity and preventing economic hardship.

There are instances, however, when the productive impact of the program is inhibited by factors such as obsolete or inappropriate skills, or the absence or shortage of employment opportunities in a particular area. In these circumstances the role of the UI program to facilitate job searches has, inevitably, a diminished applicability. I believe, therefore, that there is a need to work out program alternatives that would permit a more productive use of time while on claim. To this end I am proposing three developmental uses of unemployment insurance funds, two of which would be launched on a limited pilot basis.

[Mr. Cullen.]

● (1520)

First, the developmental use of unemployment insurance funds would provide for a streamlining of income maintenance arrangements for claimants on manpower training courses. We know that many individuals are unemployed because they lack appropriate skills, and that many of these individuals can benefit from occupational training or retraining. Under this proposal, trainees eligible for unemployment insurance on federally-sponsored training courses would normally receive their full unemployment insurance benefit as their main source of income maintenance.

This contrasts with the current arrangement under which claimant-trainees receive manpower training allowances, topped up with unemployment insurance benefits, when their level of unemployment insurance benefit entitlement is higher than their allowances. From the standpoint of developmental impact, this rationalization of financial arrangements should lead to a more effective allocation of resources and could, potentially, free-up resources for additional training.

Mr. Speaker, the second proposed developmental approach is the use of unemployment insurance funds as income maintenance for claimants on special job-creation projects. There are large numbers of unemployed workers receiving unemployment insurance benefits who cannot find employment, while at the same time many community-oriented projects cannot be carried out because of lack of funds to pay for such work. Under the proposed arrangements, unemployment insurance claimants would be given the opportunity of participating in job-creation projects on a purely voluntary basis while they receive unemployment insurance benefits.

This approach would enchance the scope of job-creation projects and increase the number of individuals who could participate in them. I am very much aware that this is a new area which would require careful experimentation and evaluation. We would, therefore, propose to launch it on a pilot project basis to assess its proposed impact on unemployment and the labour market.

The third proposed developmental use of unemployment insurance funds would be in work-sharing arrangements. At present, when a firm faces a temporary emergency it normally cuts back on production and reduces the size of its work force. Many of the workers who are laid off will search for other work, move, seek training for a new occupation or remain unemployed. Typically, there are major losses involved in this process. Workers' skills may erode when they are idle and some of them may lose the habits and patterns of work that are important to their personal and economic well-being. When the firm is ready to rehire, it may find some of its former work force with weakened skills and some no longer available.

Work-sharing could reduce these problems. For instance, instead of one-quarter of a work force in a particular establishment being laid off, employers and workers could agree that it would be preferable for all of the work force to work a 30-hour week instead of a 40-hour week on a temporary basis. During the period of the arrangement, unemployment insurance ben-

efits would be paid for one-quarter of a week to all of the workers instead of for all the week to one-quarter of the workers. We also propose to launch this program on a pilot project basis to permit a careful evaluation of its results and potential impact and to ensure the support of workers and employers.

Mr. Speaker, Canada has had a very favourable reputation as an innovator in the field of labour programs and policies, and I think we have, in the proposed developmental use of unemployment insurance funds, another opportunity to demonstrate that spirit of innovation. It is a spirit conditioned by a sensitivity to the practical difficulties which could be involved. This is why we would propose to proceed with the job-creation and work-sharing projects on an experimental basis. Such experimentation is not necessary in the case of training, where we have had substantial experience with the training of unemployment insurance claimants and where our proposals involve mainly a rationalization of financial arrangements.

The annual funding level for all of the developmental projects will be set by the governor in council.

These, Mr. Speaker, are the main changes proposed in Bill C-27 and a brief explanation of their underlying rationale and objectives. We will, of course, have an opportunity of examining all of the areas in greater detail during the committee stage, at which time I will be presenting additional information on the proposed changes.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, once again we are involved in what I call a very significant debate. This is the third time we have had an opportunity to become involved with a bill which in its original form was brought forward in 1971, when it certainly brought about a lot of problems. The government has been playing around with it since then, hoping that eventually they could come up with an unemployment insurance scheme that the people would accept.

Today we are debating amendments to the Unemployment Insurance Act. I want to repeat what the minister has indicated as the highlights. It provides for the establishment of a department of employment and immigration, the establishment of a Canada employment and immigration commission, the establishment of an employment and immigration advisory council, and the establishment of a three-phase benefit structure. The latter is actually an overhaul and simplification of the method used to determine a claimant's entitlement to benefit; that is, the benefit structure as proposed. The existing structure, based on five benefit periods, would be replaced with a simplified three-phase structure. In other words, the minister has found out that the five-phase structure was unworkable, cumbersome and inefficient. The three-phase structure will be made up of an initial benefit period, the labour force extended phase and a regional extended phase.

The initial phase is structured on the basis of strict insurance principles which would require that the number of weeks of benefit to which a claimant is entitled is closely related to the number of weeks a claimant has worked. One week of benefit would be allowed, therefore, for each insurance week of employment from a minimum of 12 to a maximum of 25 weeks. This move is long overdue. In the labour force extended phase, one week of benefit would be allowed for every two insurance weeks of employment over 25 insurance weeks. A maximum of 13 weeks benefit would be payable in this phase. The regional extended phase recognizes the need of high unemployment for additional income protection. From two to 20 weeks of benefits would thus be payable in this phase, reaching the maximum when the regional unemployment rate exceeds 8.5 per cent.

It is interesting to note that the government understands there is a problem with the regional differences that are maintained through its own ineptness and its mismanagement of the economy. It has now recognized the severe economic problems faced by people, say, in the Atlantic provinces and the province of Quebec as related to other regions of the country. The minister has admitted something further. The over-all maximum entitlement under the new benefits structure would be 50 benefit weeks to be drawn within a 52-week period. There is not much change there, Mr. Speaker: it was previously 51 weeks; now it is 50.

Mr. Rodriguez: That is too generous.

Mr. Alexander: It is also proposed to do away with the present four-week rule which now results in a claim being terminated if benefits are not paid during four consecutive weeks in an extended benefit period. This rule is considered a serious disincentive to claimants who might otherwise take short-term jobs. All members have had many letters pointing out the inequality of this provision. It actually prevented people from taking that further step to try to become part of the labour force.

Another matter upon which I shall dwell at some length later, and which the minister tried to justify, is the increased pension requirement from eight weeks to twelve weeks. The government stole that policy without giving us notice.

● (1530)

Mr. Paproski: Hear, hear!

Mr. Epp: The minister is blushing.

Mr. Alexander: Back in 1971, when fewer were unemployed and the economy was healthier, I remember telling the minister who was responsible for bringing in this monstrosity of a law to include in the program incentives for work. I suggested that 12 weeks of employment should be a minimum qualifying requirement, but the minister said no. Mr. Speaker, I made that point six years ago.

It is apparent the government is not aware that national policies can effect detrimentally certain regions of the country. It is about time it began considering the realities of the new federalism. I understand that the thinking of the government has changed in that national unemployment insurance funds are to be used for training purposes. The minister elaborated on the point at some length. In other words, those on federally-

sponsored courses are to receive full UI benefits. These, not manpower training allowances, apparently would be their main source of income. We must explore this proposal. The minister suggested that he is not sure how it will work, and that is why this will be a pilot project. The next pilot project mentioned involved job-creation. The next involved work-sharing. One can only conclude that after six years of thinking about them the government has come forward with pilot projects because it is not sure how they will work. Since they are to be pilot projects, we will need to examine them thoroughly.

There is another point which I am not sure the minister mentioned in his speech. We all heard what he said today—and he did not say a heck of a lot. I do not think he said that the right to appeal, which is now so restricted, discriminatory and harmful to claimants, will now be granted both to claimants and employers. I think such a move would be a step in the right direction because the provisions of the existing legislation are disastrous.

I understand that the National Employment Service Commission is to continue to function; it will continue to collect information, to ensure that discriminatory acts do not take place, and it will define and obtain information for the use of the commission. The minister neglected to say—not deliberately, I think—that the experience rating provision introduced by the former minister has now been judged to be disastrous. No regulations thereunder have ever been passed. I think the minister nods his head in approval of that statement. We brought the situation to the attention of the previous minister, but no, he disagreed with us—the experience rating provision was the greatest thing since sliced bread. Now, seven years later, once more the government says that the opposition was right. I do not mind taking a little credit on behalf of my party.

Some hon. Members: Hear, hear!

Mr. Alexander: I say that particularly since some people in this country do not think that we on this side of the House have proposed good policies for Canadians.

Mr. Gilbert: Hear, hear!

Mr. Alexander: I suggest that hon. members should read the speeches members of my party have made and read what has been said in committee. If they do that, they will find that it has been our position that the experience rating provision is cumbersome, discriminatory and of limited effect. We said that in 1971. How the government opposite has survived in power is beyond me. It has stayed in power by procrastinating, playing hanky-panky with the people and giving away the taxpayers' dollars. It has not developed policies, as we showed some time ago.

I have dealt with some of the matters with which the bill deals. My colleagues in this party and other parties will explore various aspects of the bill, the introduction of which gives us all the opportunity to discuss the dismally unsatisfactory record of this government in developing the country for the benefit of Canadians and creating jobs and growth, the potential for which could make us the envy of the free world.

When we discuss the economy of this country, we are discussing a sad state of affairs. The minister has brought in this bill in these sad times. As the Conference Board of Canada, the University of Toronto Institute of Policy Analysis, and the Organization for Economic Co-operation and Development have made clear, in 1977 and 1978 we shall face high unemployment, slow growth and some continuation of inflation. Those respected organizations have painted a picture of doom and depression facing this country, a situation which warrants a statement by the Prime Minister of Canada (Mr. Trudeau) with regard to the state of our economy so that the people of Canada may know what prospects they face. Unfortunately, the statements of those respected organizations, and our demands for a statement to show the people the kind of mess we are in, have fallen on deaf ears. The respected organizations mentioned have indicated that we shall have more jobless in this country unless Ottawa acts swiftly.

Mr. Speaker, many figures have been bandied about, but it is accepted generally, I think, that in 1978 about 875,000 of our people will be unemployed. In short, we must stimulate new business activity and increase consumer spending. Surely, the gloomy picture which has been painted is a powerful argument for the introduction of a budget, the highest priority of which ought to be job-creation. I say this because at present some 780,000 people, making up about 7.5 per cent of the labour force of Canada, are unemployed.

Unfortunately, the government has merely paid lip service to the solution of the unemployment problem. At present, the unemployment rate in Newfoundland is about 13.6 per cent; in New Brunswick, 11.1 per cent; in Prince Edward Island, 9 per cent plus; and in Nova Scotia, 9 per cent plus. We have learned lately of the unsatisfactory employment picture in Quebec where unemployment is running at about 10 per cent. The indications are that conditions will get still tougher in this country.

For all these reasons it is clear that the government has no idea of the extent of this country's unemployment or how to correct it. Surely, therefore, we ought to address ourselves to providing further business investment tax credits, cutting personal income taxes for those in low and middle income groups and bringing about the early removal of controls in order to restore the confidence of the business community and encourage needed investment.

When the government introduced its control program, it stole the idea from us. Unfortunately, it did not steal the right policy, which is why we are in our present mess. The government should have been wise enough to impose the freeze we advocated: it ought to have introduced a consultative process involving labour, management, concerned groups and provincial governments prior to the imposition of controls. In that way we could have known in which direction we ought to go. But the government did not do that. Instead, it chose to bring in its own version of that policy, with the result that the entire country is exercised about it.

Mr. Rodriguez: But you wanted it.

Mr. Alexander: The government stole the wrong version of our idea. After it had said for several months that it would not introduce anything like it because it had not worked in Great Britain and the United States, and would not work in this country, it said, in effect, "Therefore, in all honesty, we will not bring it in."

● (1540)

An hon. Member: The minister changed his mind.

Mr. Alexander: Yes, he changed his mind. This is why his credibility is slowly going down the drain.

Mr. Epp: "Slowly"?

Mr. Alexander: Excuse me: "rapidly" going down the drain. In my view, this government still believes that its highest priority is the fight against inflation, something which according to the Prime Minister the government licked some time ago.

Mr. Epp: Wrestled to the ground.

Mr. Alexander: They are still maintaining that position in terms of fighting inflation, when there are 800,000 people begging for some initiative from this government. There is no problem in terms of stopping inflation. Let me quote Milton Friedman, the noted economist.

Some hon. Members: Oh, oh!

Mr. Alexander: I hear hon. friends to my left. With that sort of calibre, is it any wonder that they cannot get any more than 15 or 16 seats. Milton Friedman stated:

> We know how to do it. Every economist knows how to do it. I can specify it very simply. The only way to cure inflation is for the government to spend less and to print less. The only way to cure inflation is to hold down the growth in the quantity of money. There is no other way to do it. There is no device which will allow us to slow down inflation. The problem, however, is not how to stop inflation. The problem is to have the political will to do so.

In other words, Milton Friedman was talking about having the guts to move in the direction of stopping printing money and spending money. It has to stop. Failing that, we will end up as some other countries the names of which I will not mention for the moment. What concerns me is that this government does not have the intestinal fortitude to proceed accordingly and to give top priority to the problem of unemployment. The only thing it can think about now is bringing in amendments to the Unemployment Insurance Act, and we do not know whether they will be effective or not. The human cost of the neglect of this government, in terms of job-creation, is staggering. We pay about $4 billion in unemployment insurance between the government and the employer-employee premium. We lose billions of dollars in lost productivity, and we lose taxes in the millions, goodness knows how much, just as the result of this government not having as its top priority the creation of jobs.

That is the climate in which this government introduces amendments to the Unemployment Insurance Act, woefully ignoring the fact that tinkering now and again with the act is not the answer. The answer is the creation of jobs, if you want to reduce large expenditures on unemployment and reduce, if not eliminate, abuses and suspicions about unemployment insurance.

With regard to this act, I had the opportunity to obtain advice from some of the provincial governments throughout this country. I would like to place on record a precis of some of the concerns that have been exhibited. One, the social assistance payments to the provinces may go up due to the eight to twelve-week change. Another, that the provinces be compensated for the loss of moneys from the UI payment by the use of funds for manpower training and job creation. Next, that genuine and close consultation occur between the provinces and the federal government prior to the implementation of the manpower program so that provincial priority needs will be met and the funds will be allocated in a way tailored to the provinces. Another point is that inadequate time was given for the provinces to make budgetary arrangements to offset the loss of revenue from the UIC changes or the planned programs to offset their negative effects. Another point made was that co-operation, co-ordination and consultation between the provinces and the federal government appeared in almost every letter as a key concern.

Let me talk about the province of Saskatchewan. Saskatchewan, as I understand it, is committed to the use of direct employment programs in an attempt to meet the objectives of the Saskatchewan manpower policy. Year-round job creation aimed at high unemployment areas is not one of its highest priorities, since its economy is strong. More important to them is the maintenance of current volumes of employment, should an economic downturn occur in the future, in order to avoid out-migration of labour. The new policy should co-ordinate programs in a way designed to permit individuals to gain access to permanent employment with career promotional opportunities. They do not want more fragmented, short-term federal employment schemes. They feel that the eligibility for training with UI funds should not be restricted to UI recipients. They want assurances that federal funding under manpower training programs now in existence will not be curtailed. I do not know whether the minister knows all this. I will send him the letters, if he wants to see them.

I want to get into work-sharing in some detail. I do not know whether the minister is aware of the problems in Germany and other places in that regard. Saskatchewan feels it is a good idea, that it is consistent with their provincial manpower policies, but employers and employees should be consulted to ensure that the proposal does not interfere with the collective bargaining process. The low rate of unemployment in Saskatchewan, about 3 per cent, means that workers are subsidizing the unemployed in other provinces through their unemployment insurance payments.

What about Ontario? They agree generally with the conclusion of the federal analysis of the legislation and the changes indicated that are needed. They especially agree with the recommendation that efforts are needed to remove work disincentives and unnecessary costs from the program. However, they have some concern about the heavy reliance of the proposal on unemployment insurance as a means for income redistribution. That is the policy this government has been following for some time. Rather than have an insurance

scheme, they have used it as income redistribution. Not only is the province of Ontario concerned about that but other provinces are also.

Another point the province of Ontario raised is that major unemployment insurance costs come from persons with weak labour force attachments, that is, the eight to eleven-weekers. Evidence suggests that raising the eligibility period from eight to twelve weeks will not result in a substantial increase in welfare costs. Evidence gathered by the Unemployment Insurance Commission review indicates that many people after eight to eleven weeks of work do not need to resort to welfare for income. The review doubts that alternate compensation schemes will be necessary. On the whole, it feels changes will be advantageous to Ontario and will put government funds to more productive use.

How about New Brunswick? They indicated that Unemployment Insurance Commission benefits will be reduced by $30 million in 1977; that is, a combination of Bill C-69 and the new changes. This will increase the social assistance burden of the province. They felt there was insufficient consultation; there was not enough lead time for them to express their concerns to the degree that they would have liked; that there was not enough time given for them to prepare, provincially, their budget to accommodate the increased social assistance burden or to develop alternate programs to offset some negative implications of the changes. They too, want discussion and consultation on the employment strategy; in other words, the Young Canada Works program envisaged by the minister as job-creation and work-sharing. They want to have input into their development because it should reflect the manpower, economic and social policies of New Brunswick. They also state they must have provincial consultation during the development of the program if the program is within provincial jurisdiction. With regard to work-sharing, this province is concerned that a doubling of staff may be needed to administer it, and that co-operation exist between labour and management and both levels of government. They, too, say that savings from the UIC should return to the provinces in such a manner that positive, continuing—I repeat, positive, continuing—results occur.

● (1550)

What about Newfoundland, Mr. Speaker? We have ignored that province. We have shamefully neglected it, not only in regard to this aspect but in regard to all other aspects. This province has calculated that the UIC changes will cost the province $12 million to $15 million, assuming that 50 per cent of the eight to eleven-week workers find they work for the additional required weeks, as the various studies show. It has also been calculated that the federal government will spend at least that much on job-creation and manpower training programs. It is anticipated that included in the target group for new or expanded manpower programs would be welfare recipients who otherwise would have continued on unemployment insurance if the changes had not been made. The province would control escalation of welfare costs because of the changes.

[Mr. Alexander.]

As for Alberta, Mr. Speaker, they intend to support the proposed amendments because the benefit duration is more closely related to the previous labour force attachment. Alberta also states that the benefits will be more insurance-oriented than the current ones, and the over-all effect will be a minor tightening of unemployment insurance in Alberta. They also state that the federal government and the provinces together should provide income support; that therefore changes at either level can have an impact magnified by lack of deliberate consultation and co-operation between the jurisdictions. Notice, Mr. Speaker, how there is continual reference to co-operation, consultation and co-ordination. This seems to be the big thing with that province. They also state that costs added to provincial programs and services as a result of UIC changes should be compensated; that consultation take place immediately because of differences in the requirements of federal and provincial budgetary cycles.

With regard to the three-phase benefit structure, as far as Alberta is concerned they view phase 7 as the insurance phase, with benefits related to length of employment and paid from premiums. The extended phase 2 and phase 3 appear to be primarily income maintenance. Since Alberta believes that UI should be primarily an insurance scheme, phases 2 and 3 are viewed as part of the program only in the absence of a support-supplementation program.

I propose to deal now, Mr. Speaker, with some of the provisions of the act. Having brought to the attention of the minister the concerns of the provinces, I should like to talk about the integration of manpower and unemployment insurance. I have already stated that this has been our policy. We have always called for this. This is what we now call the one-step approach which was brought forth and, let us say, magnified by the Economic Council of Canada. The one-step approach envisages counselling, payment of benefits and the placement of jobs all under one roof. What we have had in the past is frustration in the area of payments, duplication of documentation, one bureaucracy paying out money and the other trying to find jobs, neither knowing what the other was doing. In my view this has cost us millions of dollars.

I have some concerns about this policy. It has not been spelled out by the minister sufficiently for us to be aware of some of the answers. What will be the function of a counsellor, as opposed to that of a benefit control officer? Will they have the same job? If so, a lot of hardship can arise, with one guy supposedly counselling a claimant and the other guy trying to kick him off unemployment insurance. We will have to watch very carefully whether they are one and the same.

Will there be greater bureaucracy as a result of this? I thought perhaps there would not be, but I have some misgivings about it now. I thought that as a result of the shifting and integrating of staff, we were talking about one group policy rather than creating a whole new bureaucracy. We will have to watch the minister in this respect, too. How long will it take, Mr. Speaker, to bring about this one-group concept? Are we close to it? I get press releases from the minister's office and his departmental officials saying that someone else has a job

and that the minister is responsible for this and that, but it does not make any sense in terms of how simple will this integration, or marriage, be so far as meeting the needs of claimants is concerned.

I have a few other points I would like to make, Mr. Speaker, with respect to the proposed new department of employment and immigration which now will have an associate deputy minister. The duties of the commission advisory council are less clearly defined. For instance, the new commission will perform duties as required in relation to any matters for which the minister is responsible. That is really a sweeping generalization, and I hope it is not true. Previously, the commission's duties related specifically to the Unemployment Insurance Act. Similarly, the advisory council will advise the minister on all matters to which the powers, duties and functions of the minister extend and is no longer assigned any particular responsibilities.

What is going on here? Is the minister not going to have anything to do? Is he going to abdicate his responsibilities? I will not tell Your Honour what I think he said; I will just continue with my speech. Nevertheless, we will want to know whether his responsibilities are staying with him, or are they going to be channelled to some nameless bureaucracy? If so, we take a dim view of that, Mr. Speaker. As I understand it, the chairman of the commission will be the deputy minister of the department; the vice-chairman will be the associate deputy minister. The chairman of the advisory council may be appointed for an indefinite term, whereas the term previously was for three years. Why this change?

Members of the advisory council may now receive remuneration as well as expenses and allowances as authorized by the governor in council. Previously, members, other than the chairman, could only receive travel and living expenses and a per diem allowance if approved by the minister—not remuneration. I would remind the minister that we are in a period of restraint, and I suggest he will have to answer for this. What is a little more disturbing is that there is no requirement that the advisory council must meet. Previously, they had to meet at least once a year.

● (1600)

Annual reports should be prepared by the council, and the minister should table the same in order that the public might be aware of the areas of disagreement and the consensus which exist within the membership of the council. All this has been secret so far. The minister does with it what he pleases, and we are left in the dark.

I should like to bring some other matters to the attention of the House. In the new bill there is no mention of the continued existence of the various advisory boards which are presently provided for in legislation. Where is the advisory board on adult occupation training? Where is the advisory committee on the co-ordination of rehabilitation services for disabled persons? Where is the advisory committee on the adjustment of immigrants? Where is the advisory board on manpower and immigration research? These are some of the questions I have to ask with respect to the merger.

Now let us turn to the 12-week amendment. The Gill report of 1962 stated that unemployment insurance should basically be a plan to deal with short-term, fractional and cyclical unemployment and that it is not an appropriate program to provide for structural unemployment or for the seasonally unemployed. In this light it recommended that a test of at least 20 full weeks of employment in the preceding year be established as the eligibility requirement, except for new entrants and those who moved in and out of the labour force frequently. The recommendations of this commission reflected the view that the minimum qualifying period should be long enough to establish that insured employment had an important, if not a principal, place in the claimant's manner of earning a living, and enough to establish that he has not entered insured employment solely for the purpose of qualifying for benefit. The objective of greater regional equalization should be met by other than an insurance scheme.

Nevertheless, eight years later the white paper on unemployment insurance, upon which the 1971 unemployment insurance amendments were based, noted that under the scheme envisaged benefits would be paid more on the basis of need than length of time in the work force, and the program in some respects calls upon the good will and responsibility of more fortunate, better placed Canadians toward those who, through lack of education and opportunity, are in less secure occupations.

Criticism came from left, right and centre—from all quarters of the country—with respect to the program brought forward in 1971. People were concerned about the work disincentives implicit in generous benefits. They were concerned about the increased importance of the welfare aspect rather than the insurance objective of the program. They were worried because they felt it was not actuarially sound.

Now, in 1977, the government is tightening up the program in an attempt to bring unemployment insurance more into line with the realistic principles of an insurance program and with the realities of the labour market by extending the qualifying period of eight weeks to twelve weeks. Coupled with the new three-phase benefit structure proposed, the twelve-week amendment will increase the correlation between real labour force attachment and access to protection through the unemployment insurance program. But Canada still enjoys, and will continue to enjoy, the most generous unemployment insurance benefits in the world. Sometimes I wonder if that is a proper position for us.

I am very much aware of the findings of studies regarding the minor employment group. I am aware that 80 per cent have no dependants; that approximately 50 per cent are under the age of 25; that many are secondary workers, working wives and youths living at home who belong to families with incomes in the middle to upper income range. There is a great tendency for these people to exhaust their benefits. Seventy per cent of all eight to eleven weekers find work within six weeks of exhausting their benefits.

I am also very much concerned about the attitude of some provinces with respect to the possible enlargement of their welfare rolls as a result of the amendments we are considering. I am also conscious of the fact that to be unemployed in Ontario, Alberta and Saskatchewan is very different from being unemployed in the Atlantic provinces, since it is much easier to find a job in the former areas than in the latter. Economically developed areas offer greater opportunities to get jobs. In the Atlantic provinces, or the economically depressed areas of the country, opportunities are significantly less. The existence of regional disparity in all its forms calls for flexibility in our approach to this amendment.

Notwithstanding the fact that we accept the 12 weeks, what we seem to have forgotten is that in this day and age, in the new federation, national policies must sooner or later reflect the needs of the several regions of the country. That is what federal-provincial confrontation is all about. The provinces want a new federalism. They want a sensitive government, one which is aware of and concerned about their needs. As I said a moment ago, the existence of regional disparity calls for flexibility, especially at this time, in relation to the amendment before us.

We do not know how successful Canada Works will be. We do not know how successful Young Canada Works will be. The minister said he hoped some 60,000 jobs would be created. At the moment he seems to have made a boo-boo. Right now, as I understand it, the position is this: the forms were not distributed equally throughout the nation—some had them, and others did not. The time allowed for the completion and filing of these forms is unrealistic. The date is February 4. Yet the minister tells us today he is still considering whether the program should be extended. He says some $30 million has been taken up. Has he forgotten we are talking about a $200 million program?

The minister told us two or three days ago that he is still looking at this matter. Perhaps he is looking for a miracle. Something is wrong. Industrial leaders and others fear there will not be sufficient time in which to take advantage of the program. The minister can take this as notice for action.

We do not know how successful this pilot job-creation program will be, so we cannot estimate its impact upon the UIC in terms of savings. We have no idea whether the government is prepared to make job-creation a serious priority. Questions are asked of the Minister of Finance (Mr. Macdonald). Questions are put to the Minister of Manpower and Immigration (Mr. Cullen). He said he does not like to reveal his plans because the opposition will make hay in terms of the unemployment rate—I am paraphrasing what the minister told me. Mr. Speaker, I do not know how seriously that gang is treating this fundamental human problem of unemployment.

I was talking a few minutes ago about regional disparity. We can see no improvement in terms of regional economic expansion. As I understand it from my hon. friend from Egmont (Mr. MacDonald), the policy is not getting the results it should be getting in terms of job-creation. To date, we do not know whether there will be an April budget designed to stimulate the economy. The minister likes to play games. He says "before June", or "after March", or "bientôt"—the minister smiles because I use that word. I am expressing a concern which is extremely important to Canadians, particularly to the 700,000 or so who are unemployed, and this number is envisaged as likely to be around 100,000 more in the future. We do not know what is happening to the Anti-Inflation Board. All I know is that the Minister of Finance believes it is harming economic development, and that officials of the Department of Industry, Trade and Commerce holds the same view, as does the chairman of the AIB.

● (1610)

So as it stands now, because of this government's insensitive and ineffective performance we feel that regional differences must be recognized not in words but in deeds. Accordingly, because of our concern and because of the lack of response by the government, I now advise the House that my party will move an amendment to clause 17. This is in general what we intend to do. We propose the following amendment:

In high unemployment regions, the minister may, with the approval of the governor in council, make regulations

—lowering from 12 weeks down to a minimum of 8 weeks the number of weeks referred to in subsection 16(1) and 17(2)(a);

—defining high unemployment regions, delineating the boundaries thereof and determining residence and eligibility within such region;

—setting a date of termination for any such regulations—

Notwithstanding the fact that we abide by and stick to the 12-week eligibility period, we find that it is time now to consider national policies to meet regional needs. That is what federalism is all about. The present uniformity of policy has created tension and frustration within confederation.

Let me now proceed to another matter which the minister has touched upon, namely, work-sharing. I know that the minister has much expertise with respect to this innovation, but I would like to make a few comments on this matter. For many years statutory unemployment insurance or assistance schemes in France, Germany, Great Britain and Sweden have contained provisions covering payments for partial unemployment. In most countries there is a limit to the time for which partial unemployment benefits are paid.

The average French manufacturing worker now receives roughly half of the regular hourly wage as short-time compensation. Short-time payments are financed partly by the company concerned and partly by the public assistance scheme. The number of workers on short time in France rose from 19,000 in July, 1974, to more than 200,000 a year later.

In Italy, short-time benefits for workers with a permanent job in either industry or construction are paid by an employer financed fund set up originally by collective agreement and subsequently covered by legislative decrees. That is an extremely important point. The benefits now replace approximately 80 per cent of gross earnings for up to 40 hours a week. Short-time benefits in this case replace a greater proportion of earnings than do regular unemployment benefits for industrial workers. A very steep rise in the number of hours compensated followed the widespread use of short-time work in Italy. In the

first half of 1975, hours compensated increased fourfold in industry and represented 3 per cent to 4 per cent of total hours worked.

In 1975 Germany increased the maximum duration of short-time benefits from six to twelve months, and to twenty-four months under certain conditions. The scheme is primarily financed through the unemployment insurance system. Short-time payments have played an important role in protecting many workers threatened by dismissal. The number of workers on short-time rose from 292,000 in 1974 to more than 900,000 in May, 1975. In October, more than 700,000 workers were still on short-time work schedules. The practice of work-sharing in these countries has helped to keep unemployment rates lower. However, in the three countries mentioned above the numbers of workers that were on short time went up tremendously after the institution of work-sharing, meaning the cost of unemployment insurance could have been higher than if lay-offs were used.

Is work-sharing an artificial means of lowering the unemployment rate? For example, does it mask the true magnitude of the problem? The minister will have to ask his officials to answer that question in order that we get to the truth of the matter. I am not saying the minister has misled us, but we put the minister on notice that there are significant problems with respect to this work-sharing program. If there is a question of prolonged periods of work-sharing, would some of these workers be better off retrained in a skill in demand?

The major social value to this is that the employees do not lose contact with the work world and are not completely idle. That is of major social value to the employees. According to the Department of Manpower and Immigration, their work-sharing proposals will be designed to help employers retain a full force on a reduced work week, rather than laying off part of their work force. Employees who would otherwise be laid off will receive wage supplements so that their income will be higher than possible UIC benefits, but lower than their normal earnings. This will allow the employee to retain employment and save his or her possible turnover costs such as training new employees or finding new employees. Work-sharing should be implemented on a pilot project basis starting October, 1977.

There are some areas to which we should give further thought. From their description, work-sharing may not be applicable to service industries or continuous process operations. Work-sharing in these areas is better implemented through rotation of employment rather than reduction in the work day, since in industries certain hours must be kept for customer service. Let me spell out some of the advantages of this plan for work-sharing that will accrue to the employer. First, overhead costs may be lowered because of reduced operation of the plant, and so on. Second, work-related costs will fall since for all workers on work-sharing the employer will not have to make UIC contributions. Third, it will save the employer possible turnover costs when production resumes at a normal level.

However, there are disadvantages for the employee, and I want to put these on the record because it is upon these concerns and the answers we get that we will be able to determine whether the type of program the minister envisages will be of maximum benefit to the employee. Much union opposition stems from internal politics—the senior members generally outnumber the junior members—so that in lay-offs based upon seniority they will not be laid off. Why should they sacrifice their full salaries? Second, it may not give them enough useful time to take another part-time job or to make an effective job search. However, they have the advantage of not being completely unemployed and are receiving incomes higher than possible UIC benefits. Third, theoretically, work-sharing can be a substitute for lay-offs, regardless of the extent. However, too large a reduction may result in increased UIC costs or in an income for the worker equal to UIC benefits. There must be some limit set out regarding the use of work-sharing: in some countries, and in some collective agreements, reductions beyond one-third of the work week are considered better dealt with by more appropriate methods.

Beyond a certain level, work-sharing may not be practical for the employer or tolerable for the employee, particularly for extended periods. There may be the possibility of abuse by employers wishing to take advantages of the benefits of work-sharing, even though the program is to be governed by stringent eligibility criteria. One provincial premier has claimed that work-sharing will cost a tremendous amount administratively, as much as double the present cost. We will have to look into that. But the key is flexibility in designing and administering work-sharing so that it can best accommodate the needs of the employer and employee in each case.

I notice that under the bill the governor in council may make regulations. We will have to be advised of the regulations from time to time when this pilot project is brought in, so that we are aware of the problems and of the progress which we hope will be made if the program is acceptable. This may present problems in terms of the extent of the commission's power to impose an agreement on management and labour; that is, it could interfere in the collective bargaining process. The International Union of Electrical Workers has stated that although it is not against work-sharing per se, it is against government-mandated work-sharing. There may be difficulties in enforcing the program. I know, from having discussed this matter with both labour and management, that they oppose work-sharing based in part on a study of the problems encountered in other countries.

● (1620)

Those are my few remarks at this time. Other hon. members on this side of the House will be involved in this debate. In terms of job creation, we now throw the ball back to the minister, because if the things about which I have talked in terms of Young Canada Works, Canada Works, budgets, job-creation, the Anti-Inflation Board, and regional economic expansion programs, do not take place, then what I have done is indicate to the minister that the amendment we will be proposing shows that there is a need for us to be very much concerned about and aware of the problems caused by federal policies across this country.

The minister may not have to accept this amendment, but in the long run the onus of proof is on him. So, subject to the several reservations I have mentioned, we will support the bill at second reading in order to get it into committee where many questions can be asked and answers given, hopefully to make this bill a much better one than it is at present.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, having listened to the Minister of Manpower and Immigration (Mr. Cullen) and to the spokesman on manpower, immigration and unemployment insurance from the official opposition, I do not think this bill should be discussed in the House of Commons. I think it should be discussed in the criminal courts of Canada, because it is an assault by the government on the unemployed people of this country and the Tory party should be charged under the Criminal Code as an accessory before, during, and after the fact. What I have heard is an absolute travesty of what is right.

It is significant to note that there are no Newfoundland Tories in the House. Newfoundland is an area of very high unemployment. I do not see any Tories from Nova Scotia in the House. I do not see any Liberal members from Newfoundland or from Nova Scotia, and both those areas have very high unemployment levels.

Miss Campbell: Mr. Speaker, I rise on a question of privilege. I would like to bring to the attention of the hon. member for Nickel Belt (Mr. Rodriguez) that there is a member here from Nova Scotia, the member of parliament for South Western Nova.

Some hon. Members: Hear, hear!

Mr. Rodriguez: I apologize to the hon. member. I suppose she must have slipped in from behind the curtains.

An hon. Member: Oh, come on.

Miss Campbell: Mr. Speaker, again on a question of privilege, I think most hon. members know that I have been in the House most of the afternoon, particularly when the minister and the hon. member for the official opposition were speaking.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Turner): Order, please. I suggest to the hon. member for Nickel Belt (Mr. Rodriguez) that he get back to the provisions of Bill C-27.

Mr. Paproski: Mr. Speaker, on the same question of privilege, I think it is wrong to name any hon. member who is not in the chamber at this time when there are committee meetings and subcommittee meetings. I think the members of the NDP should just stick to the legislation which is before us.

Some hon. Members: Hear, hear!

Mr. Rodriguez: Mr. Speaker, it is fairly obvious that there is quite a coalition here this afternoon. It is fine for the hon. member for Hamilton West (Mr. Alexander) to talk about unemployment, cheaters and people unemployed for a period of between eight and twelve weeks. I suspect that the unemployment rate in Hamilton is very low indeed; it is an area of high employment. I have been with the hon. member in committee when we have discussed bills dealing with changes to the Unemployment Insurance Act, in particular Bill C-69, and I have heard the hon. member prod the government for changes to the act along the lines which the minister has brought forward this afternoon. It is all right for those who come from areas of high employment to take a very scathing look at people who are on unemployment insurance, but those people are always in deprived regions of our country. It is easy to be moralistic about those who are collecting and those who have a minor attachment to the work force.

[Mr. Alexander.]

However, for the purpose of my remarks regarding Bill C-27, I think it is convenient for us to look at its proposals in three major parts. The first deals with the so-called reorganization of unemployment and immigration. The second part deals with the substantive changes in the Unemployment Insurance Act, and they are those which change the minor attachment period from eight weeks to twelve weeks and deal with the length of time during which benefits are paid to claimants. The third part deals with housekeeping amendments to the Unemployment Insurance Act.

With regard to the first major change proposed in Bill C-27, namely, the unification of the Department of Manpower and Immigration and the UIC to form the Canada employment and immigration commission with what the minister calls "a small, supporting department," hon. members will instantly recognize that this attempt is similar to what happened in the past with all the king's horses and all the king's men. However, there is one significant difference. In this case the people who took Humpty-Dumpty apart are exactly the same people who now are going to put him together again.

Mr. Douglas (Nanaimo-Cowichan-The Islands): And he will be scrambled in the process.

Mr. Rodriguez: He will be scrambled in the process. But what was being said in 1965 and 1966, when the government and all its agencies were calling for separation of the national employment service from the Unemployment Insurance Commission, as recommended in the Gill report after an inquiry into the Unemployment Insurance Act? As a result of that report, the national employment service was transferred to the Department of Labour in 1965 and to the Department of Manpower and Immigration in 1966.

The separation of the Unemployment Insurance Commission from the national employment service and its corresponding department was called for on the ground that the national employment service was for too long considered and adjunct and rather subordinate to the insurance plan. The effectiveness of the national employment service in terms of a national manpower policy was being hampered by its ties to the Unemployment Insurance Commission. The two had to be separated so that the national employment service could occupy a leading position in the efforts to solve unemployment problems.

Without such a separation there would continue to be an overlapping of efforts and an inadequate provision of staff, facilities and services for the national employment service. We know what resulted from the time of separation to the present. We in this party argued against that dismemberment. We opposed the split of the Unemployment Insurance Commission and the Department of Manpower and Immigration.

● (1630)

We said at that time that no government could look at unemployment without looking at employment in tandem: they could not be looked at separately. But it took this government 11 years to discover that. The government proceeded with the split and began building two empires, with two commissions, two advisory councils, two parallel staffs operating in total isolation in Sudbury, for example, as in many cities. The Canada Manpower offices in Sudbury are hidden in downtown Sudbury, while the offices of the Unemployment Insurance Commission are isolated in suburbia and are inacessible by public transportation. The results are Towers of Babel, built at exorbitant cost to the taxpayer, that are just a holding action against rising unemployment—and in some cases not even that.

What does the Minister of Manpower and Immigration say now? In the document entitled "Highlights and Information Papers on the Employment and Immigration Reorganization Act" he says:

> This proposal would produce a new organization capable of providing a one stop service to clients and would facilitate a more integrated approach to the planning and administration of employment, unemployment and immigration programs in Canada.

How wonderful, Mr. Speaker! How much is this reorganization to cost taxpayers, and what about all the back-scratching and in-fighting that has already started as these two units are put together again? What effect will that have on the morale of the departments and, ultimately, on the quality of service to the unemployed? We ask these questions because it is very important to consider what is taking place in putting these monoliths together. We can see the problems. Look at what they have put before us. We can see this minister and his bureaucrats wrapping themselves around organizational charts, beautiful flow charts, an experimental unit and pilot projects, to the exclusion of our most pressing problem—unemployment. They have their little plots and charts in the boardrooms, while the unemployed lines grow.

The second aspect of Bill C-27 which I should like to discuss is the substantive changes which affect minor attachments to the work force, a new benefit structure, and something called "developmental use of unemployment insurance funds." There are times, Mr. Speaker, when one wonders if this House is not a cuckoo's nest. This is one such occasion. The minister proposes a change in the minor attachment period from eight to twelve weeks. Since the May, 1976, budget the minister has run around the country throwing out figures here and there to show that people affected by this change are what he calls kids and housewives.

An hon. Member: An insult to the adults of this country.

Mr. Rodriguez: That is right. His most recent argument is that the eight to eleven week people are cheaters: they take their benefits until they run out, then take a job for another eight weeks and collect again. I am not surprised at the position taken by the hon. member for Hamilton West. He wants to suck and blow at the same time, and represent to the Atlantic provinces and such places that the Tories are concerned about their unemployment plight; but at the same time he has to satisfy the other parts of Canada which think the unemployment insurance scheme is a disincentive to work.

As far back as May 28, 1975, when the hon. member was in committee with me and we were discussing Bill C-69, he raised the question of going from eight weeks to twelve weeks with the then minister of manpower and immigration, who is now President of the Treasury Board (Mr. Andras). The minister replied:

> I think it is a bit of a red herring myself. I think there are other areas that have to be tidied up in the act that are far more significant than that favourite whipping boy the short term work claimant.

I think it is appropriate for the present minister to know that, so that there can be some continuity. In response to the whole question of laziness of minor attachment claimants which the hon. member for Hamilton West raised in committee, here is what the former minister said:

> If you examine where those short term attachment people are, you will find that they coincide with areas of this country that have the more chronic conditions of high unemployment . . . they occur in Quebec and the Atlantic provinces to a higher degree because the conditions of disparity there are such, that people get marginal jobs, which are almost coincidental with short term attachment jobs . . . so I think we have to be extremely careful before we tamper with this.

He was referring to the qualifying period. Later in that meeting, in response to the hon. member and his Tory colleagues on the question of the minor attachment claimants being cheaters, the former minister said:

> The incidence of disentitlement or disqualification, as an effect of failure to meet one's obligations under the act, is lower amongst the group with a minor attachment to the work force as their proportion of the total claims load than those with a long term attachment to the work force.

When we consider this particular amendment, we must ask: Who are these minor attachment claimants? Are they the kids and the housewives that the minister has alluded to? Where are they located? Is it Hamilton West, Lambton, or where? The figures for the first three months of 1976, which are the only figures available at this time from the department, show that 62 per cent of all unemployment insurance recipients who had worked eight to eleven weeks are located in the Atlantic provinces and Quebec. To show the importance of short-term work in the Atlantic region, the figures reveal that of all recipients in the first three months of 1976, 21 per cent had been able to get work for only eight to eleven weeks. In contrast, the figure was 11 per cent in Ontario, 10 per cent in the prairies, 14 per cent in British Columbia and 15.6 per cent in Quebec.

To reinforce that even further, on a recent visit to Newfoundland, members of this party learned from the United

Allied Fishermen's Union of Newfoundland that last year, of 1,000 fish plant members in three or four communities from St. Anthony to Twillingate, 400 got less than 12 weeks employment, 200 got less than 16 weeks, and the rest less than 20 weeks. Unemployment Insurance Commission officials in St. John's told us that 48 per cent of all claimants in Newfoundland had between eight and nineteen weeks of contributions.

Mr. Speaker, we know where the minor attachment claimants are, and we should now look at who they are. The government estimates that with an unemployment rate of 7 per cent, 330,000 people will be eliminated from receiving the benefits with the increases in the qualifying period to 12 weeks. According to the government's own estimates, the 330,000 will break down as follows: under 20 years of age, 64,000 people; 20 to 24, 96,000; 25 to 34, 74,500; 35 to 44, 41,000; 45 to 54, 35,000; 55 to 64, 19,000; male, 214,000, and female 116,000. To listen to the minister and his advisers— his lackeys—in the department, the minor attachment claimants are kids and housewives. The facts show that it "ain't so", Mr. Speaker. I wish the minister would stop making these allusions across the country, because they are nothing but false rhetoric.

● (1640)

Let me make another interesting point. In June, 1976, a month when many students were on the job market and unemployed in large numbers, only 12.5 per cent of unemployment insurance recipients, according to the minister, were kids under 20 years of age. Adult women made up 41.7 per cent of all recipients, and adult men 45.8 per cent. Also, what about the myth that unemployed women receiving UIC payments really do not need them? That myth has been bandied about by both major parties in this House. They say that so many of these housewives are working for pin-money.

Mr. Orlikow: They are married either to economists or civil servants, if one believes the major parties.

Mr. Rodriguez: Let me deal with the myth which says that unemployed women receiving UIC benefits do not need those benefits. Consider the facts which are supplied by the minister's own department. In August, 1976, Statistics Canada published a study of unemployment in 1973 and 1971. It was found that in both years unemployed wives tended to come from families with low incomes. For example, in 1973 the unemployment rate for all wives was 13.5 per cent; for those from families with incomes between $4,000 and $6,999 the rate was 21.4 per cent, and for those from families with incomes over $15,000 it was 8.6 per cent. As we might suspect, unemployment among low-income women was a real problem. The women in $4,000 to $6,999 group contributed 22 per cent of the family's income when they were working. The women in the $15,000 and up category contributed only 17 per cent. To add salt to the wound, so to speak, Bill C-27, in simplifying the benefit structure to a three-stage arrangement, will cut back the amount of benefits to most recipients. Again, this change will have dire effects on areas of high unemployment.

I was interested to hear the hon. member for Hamilton West delineating the amendment his party wishes the House to consider. Unfortunately, either he did not read it or did not take advice on that part of the bill the amendment seeks to change, because his party's proposal is discriminatory as well. Let me give some examples. In Nova Scotia, a person who has worked 20 weeks would get 51 weeks of benefit under the present system; that is to say, he would have contributed for 20 weeks and would collect unemployment benefits for 51 weeks. If Bill C-27 in its present form were to pass, the person who has worked 20 weeks would get one week of benefit for every week of contribution. He would not get extended benefits because he had not worked for 25 weeks or more.

As well, he could get the regional unemployment benefit, which is paid for a maximum of another 20 weeks. That person will get 40 weeks of benefits, not the 50 weeks which the minister indicated. The minister suggested that such a person would lose a maximum of one week's benefit, his benefit time being reduced from 51 weeks to 50 weeks. I suggest it is not so. That would not be an isolated case, since in many areas of this country it is difficult to secure eight weeks of employment, let alone 20 weeks.

Surely the government ought to consider these things with some heart. Do not tell me that you are going to put all these people to work under the Canada Works program. Surely you are not going to put them all on training programs. It is apparent, from the government's mentality, that it prefers to have large numbers of trained or retrained unemployed to large numbers of untrained unemployed. I suspect that it has bastardized the manpower retraining program in order to keep people off the unemployment rolls. Mr. Speaker, these programs will never work unless the government is committed to a philosophy of full employment. Otherwise, you will be training people for non-existent jobs, and by the time you have trained them, what few jobs existed will have disappeared.

If it were not so sad, I would laugh when I tell hon. members that every second person in Sudbury on manpower retraining is retraining to become a stationary engineer. We shall have so many stationary engineers in the Sudbury basin that we shall be able to man every furnace and boiler from Vancouver Island to Newfoundland with a stationary engineer. I suspect that we have trained too many hairdressers in Newfoundland to fill hairdressing jobs. Consequently, they are again retraining all the hairdressers they trained in Newfoundland, only this time they will turn them into heavy machine operators. Once that process has been finished and there are no jobs for the retrained people, the department will put them through the mill again.

The C. D. Howe Institute has had much to say about manpower retraining programs. They say such programs will not be effective unless there are jobs for the retrained. In the absence of jobs, the program becomes another income support program. Surely that is a very expensive and dehumanizing way to provide income for people.

We ought to consider the impact on the economy of this country of this bill. Surely we cannot cut off those 330,000

people who are considered "a minor attachment". Let us remember that the money paid out as unemployment insurance benefits by and large flows into disadvantaged areas of the country. Surely the minister recognizes that the effect of this bill will be to cut off income for certain areas of the country. Let us consider that for a moment. The minister has talked about a saving next year of $110 million in UIC benefits. I notice that certain hon. members have talked about a saving of $110 million. That is a nice, round figure. I suppose people say, "Just look at that tough minister; he is really cracking down on unemployment insurance." But the minister never talks about people's lives which will be affected by this measure. Unfortunately, the unemployed become statistics in the minister's mind because he only talks about the $110 million in savings.

The minister also forgets that that is the government's share. That figure does not take into account the employer and employee contributions which amount to between $275 million and $325 million. That much less will be contributed when the amendments before the House come into effect. We learned last Friday, from the reply to an order paper question set down by the hon. member for Hamilton West, what effect these proposed amendments would have had, in 1976, on the economy of Newfoundland, for example. The loss to the economy of Newfoundland would have been between $24 million and $28 million. Is the minister saying that he will pump as much as $28 million into the economy of Newfoundland through Canada Works and Young Canada Works programs? The loss to Nova Scotia would have been between $9 million and $11 million. Those are the government's own figures. New Brunswick would have lost between $19 million and $22 million, and Quebec between $93 million and $109 million. Mr. Speaker, the economies of those provinces are fragile and taking that much money out of them will have disastrous effects. That is why I suggested earlier in my remarks that the government should be charged with aggravated assault. One has only to note the effect of this measure on the lives of the people.

A recently published study in the United States showed what unemployment did to the unemployed. Among the unemployed the suicide rate was higher than the national average, as was the incidence of crimes of violence. That ought to concern the minister, but obviously it does not. The government's philosophy is this: if you cannot introduce policies which will stimulate the economy, you do the next best thing, cut some people off unemployment insurance. He is a pretty tough minister. With Bill C-69 we saw how tough the government was with the elderly. Now the minister is getting tough with children and housewives, to use his words. It is a pretty brave government that gets tough with old people, children and housewives.

● (1650)

I listened to the comments made by the hon. member for Hamilton West. One of the Tory spokesmen on manpower and immigration, the hon. member for Provencher (Mr. Epp), is reported in an interview in the Montreal *Star* of January 13, 1977, as having said as follows:

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As a result of questions raised in his constituency, Mr. Epp said, he issued a statement that the party will support the increase from eight to 12 weeks before an applicant can qualify for UIC benefits.

"It is my personal view that the 12 weeks should be increased to levels in the former UIC program of 20 weeks. It is evident the changes are necessary and the government should be commended for introducing these changes, which will result in a saving of $110 million per year," he said.

The hon. member is from Manitoba, which has low unemployment because it is run by an NDP government. Here we have a coalition. Suddenly, 12 weeks is not enough; it should be increased to 20. That is the approach taken in this House. If the government were to be replaced by the official opposition there is nothing to indicate there would be any change. All they would do would be to get tougher and increase it to more than 12 weeks.

There is another myth which this government and the Tories propagate, namely, that the government is going broke because it has to support the unemployment insurance fund. What are the facts? In 1975, when unemployment stood at 7.1 per cent, the unemployment insurance account produced a surplus of $321 million after pay-outs of $3.1 billion in benefits. This year, the government has reduced its share of the cost of UIC from 54 per cent to 38 per cent, thanks to Bill C-69. This year, the UIC fund has done so well that the government is suspending an anticipated increase in employer-employee contributions or premiums scheduled for January 1, 1977—a saving of $250 million to contributors.

Mr. Schumacher: Not bad.

Mr. Rodriguez: The reason is that the money is not needed.

Mr. Schumacher: What is bad about that?

Mr. Rodriguez: The hon. member's party and the government ran around this country saying that the unemployment insurance fund was causing the government and the taxpayers to go broke. However, the contributions of those who work and the employers who employ them have paid for the program.

Mr. Friesen: It pays for itself?

Mr. Rodriguez: That is right. What about the developmental use of UIC fund? Here are some really dynamic programs. Work-sharing, that is innovative. I bet some high-paid economic or sociologist in Manpower came up with that. I wonder if the commission discussed this program. I am sure at some point the minister will respond. I would like him to tell us whether the commission discussed this work-sharing proposal.

Mr. Orlikow: Or the advisory committee.

Mr. Rodriguez: It seems to be a half-baked idea that was thrown together. Underemployment is not the solution to long-term, aggravated unemployment. It is fairly obvious that the government's thrust for an employment policy is work-sharing. That will not handle all the problems. Incidentally, it smacks of what used to be called "on the job training". We all know how Manpower and the taxpayers of this country were

ripped off by unscrupulous employers in that program. This program is open to abuse.

The job-creation program is something else. That is really creative! Voluntary work on federal government work projects will be available to UIC recipients. They do not have to take that work. It will be on a voluntary basis. Can you imagine any worth-while project being completed? If a person does not want to work on a certain day, he does not have to do so. He may not want to work for two or three days. This is absolutely crazy. Policing will be required. If a recipient of unemployment insurance goes on a job, he is not available to look for work. Under the Unemployment Insurance Act, he has to be available, capable of working and looking for work. If a person is on a voluntary job, somebody will have to say that he is looking for work. But is he? A whole bureaucracy will be required to police these people. The minister knows it will not work. He has just thrown this together to give the impression that the bureaucrats in the Manpower offices are doing some creative thinking.

What about training? From 1970-71 to 1974-75 the manpower department spent up to 75 per cent of its annual budget on manpower training. How much more can they spend on manpower training—100 per cent? Where has this gotten us? As I said before, we are recycling hairdressers in Newfoundland into heavy machine operators. If this government takes a hard, close look at the regions of this country, it will see there are programs that can be carried on effectively.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Central Nova (Mr. MacKay)—Public Service—Reason for denial of existence of blacklist of employees; the hon. member for Northwest Territories (Mr. Firth)—Health—Arsenic pollution in Yellowknife—Acceptability of members of task force; the hon. member for Edmonton-Strathcona (Mr. Roche)—External Affairs—Request for reconstitution of committee on international development.

[Mr. Rodriguez.]

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Turner): Order. No. 12, the hon. member for Simcoe North (Mr. Rynard): shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Stand at the request of the government. Order No. 13, the hon. member for Kingston and the Islands (Miss MacDonald): shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Order No. 15: shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Order No. 16, the hon. member for Davenport (Mr. Caccia): shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Stand at the request of the government.

* * *

RAILWAY ACT

AMENDMENT RESPECTING HEIGHT OF RIGHT-OF-WAY FENCING

Mr. Stan Schumacher (Palliser) moved that Bill C-217, to amend the Railway Act, be read the second time and referred to the Standing Committee on Transport and Communications.

● (1700)

He said: Mr. Speaker, I wish to speak briefly on this bill which has certainly been a long time coming. I think I first introduced it some four years ago and I am happy that finally it has percolated through the parliamentary process to this stage, and I hope it will make some further progress. I should like to point out to the House its importance to the safety of life and limb along the roughly 50,000 miles of railroad rights-of-way that criss-cross this country, often bisecting or otherwise cutting through communities. I also want to say at the outset that I firmly believe such a piece of legislation is long overdue.

First of all, the sole purpose of this bill is to amend the Railway Act to provide a better standard, a modern standard, shall we say, of fencing for railroad rights-of-way in the residential areas of Canada's urban municipalities. At present the Railway Act calls for fences of a minimum height of four feet six inches on each side of the railway. Today, as it has been practically since day one of railroading in Canada, that is the only requirement of railway fencing along the right of way. This may have been appropriate as a fencing standard in 1891,

or even 50 years ago when railway fences were designed to keep cattle from straying on to the tracks. But it is far from adequate in the 1970s for the proper protection of human life and limb in built-up residential areas across the nation. I am thinking particularly of children. In one location that I know of, two children have been killed by trains in recent years, one in 1967 and another in 1972, because fences were easily climbed, broken down or cut through on railway properties.

We all know as parents and, in some cases, as grandparents, that kids will be kids. They wander. They take short-cuts. They explore. They climb fences and cross barriers simply because they are there, because such obstacles stand between the explorer and the explorable, between the fascinated and the forbidden. From the child's point of view, a fence hinders adventure. But adventures in railway properties too often become shocking misadventures, if not tragedies, for the curious or thrill-seeking child, or even for the youngster trying to find a short-cut to and from school.

Some of us in this House may recall what fun it was leaping from boxcar to boxcar, running across the roof-walks, hanging from the grab-irons, fiddling with immovable couplings or rummaging in and among empty, open cars. But those of us who may be able to remember the fun of fooling around in a freight yard may also have some bad memories of injuries to ourselves or to our playmates.

There is danger enough among rolling-stock that is not rolling, amidst monstrous steel cars that stand stock still, rusting in the rain, roasting in summer sunshine. But the real danger is in poorly fenced track, in places where the rolling-stock is rolling, where diesels and switchers move suddenly and without warning, dangers that only the trained, experienced railroad worker can recognize and react to in safety. Where the trains move near homes and schools, parks or playgrounds, there is sudden and swift tragedy lurking for the unwary, for the innocent child who may not even realize he is trespassing, let alone flirting with death or dismemberment.

Today there are so many more built-up areas near long-standing railroad tracks than there were when the section of the Railway Act which my bill would amend was drafted and legislated. The concern then, 85 years ago, was for the safety of cattle. Today we are, hopefully, more concerned about the safety of people and, most of all, I would hope, the safety of children. Today there are so many more children and others apt to stray on to railroad property because it is so easy to do, with only 4½ feet of fencing standing in their way—if in fact it is standing there at all and not falling down, or simply non-existent.

A mere 54 inches stands between safety and danger, at best. Fifty-four inches of wire fencing is nothing to any individual who is curious enough, determined enough, or even stupid enough to climb on to a railway right-of-way, for whatever purpose. But you put up a chain-link fence at least six feet in height, and there you have a formidable obstacle, a solid safety factor, one which could well save many an adventurous child the pain and the agony of being crushed between the steel wheels of trains on the move—and some trains move at a pretty fair clip, even through residential areas.

Therefore, Mr. Speaker, the amendment to the Railway Act which Bill C-217 proposes is this:

Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

"1. Paragraph 214(1)(a) of the Railway Act is repealed and the following substituted therefor:

(a) fences of a minimum height of four feet six inches on each side of the railway and in residential areas of incorporated municipalities having a population in excess of 3,000, such fences shall be of a chain link construction with a minimum height of six feet, the maintenance and quarterly inspection of which is the sole responsibility of the company."

Let me repeat what I said in the beginning, what I have said time and time again since I began trying to get action on this matter four years ago. We are concerned here with saving lives, young lives, not of cattle but of human beings. We should be concerned also that this matter has gone virtually without major public support for far too long and lives have been lost in the meantime. Lives have been lost that need not have been in jeopardy at all. I believe this is a worth-while amendment, otherwise I would not have brought it to the attention of the House and imposed upon this chamber's time. I believe this amendment to the Railway Act is a good move, a most sensible move in terms of public safety.

While it is always nice to have support for one's proposal, I hope I do not get too much support that will cause the hour to expire before some action is taken on what I consider to be a very reasonable suggestion, one that should receive the serious consideration of the legislative process and not just fall to the bottom of the list when the hour today expires.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would be very happy to have the question put, and I certainly will not speak for very long. I was impressed with the hon. member's remarks in introducing this amendment; it is one with which I heartily agree. I have been very concerned, as I am sure have other members, about areas where there are railway crossings. I think particularly of one area in Ottawa, not far from here, where the railway passes through a very heavily built-up part of town, and they are still using the old type of fence, actually the same old fence. The fence was probably put up 30 to 40 years ago and there does not seem to be any desire to maintain or to meet changing requirements.

Originally, the law requiring railways to provide fencing on both sides of the railway track stemmed from a very simple necessity: animals such as cows, wild animals and domestic, would run on the track, and I presume fencing was originally put up by the railway as a protection against liability. I should like to add that in my opinion, in addition to proper fencing, particularly in built-up areas, an immediate attempt should be made to provide barriers, lights or other kinds of marking, rather than a signpost back 15 to 20 feet from the railway track, especially where a railway track crosses a major highway. This is true in my area where there have been a number of fatalities at a crossing which was unmarked or was very poorly marked and there was a very heavy amount of traffic crossing the track. Your Honour had the opportunity at being

at the other end of the problem, as it were, behind the throttle, and I am sure you will agree with me that the locomotive cannot compete with an automobile when it comes to yielding the right of way.

● (1710)

The automobile can stop in a short distance. Trains, especially heavily laden trains, cannot do so in most cases. Many fatalities at railway crossings might have been prevented had the necessary action been taken. We pass legislation making the construction of overpasses the subject of negotiations in communities over years and years. I do not think there has ever been an overpass or an underpass built except in cases where a number of fatalities had already taken place at that point.

The CN and the CP run through my area for 200 or 300 miles, but the railway which I am most familiar with is the Ontario Northland which travels the full length of my constituency. Its solution has been to close off the crossings. However, in consideration of this proposal it is interesting to note that when they close off these crossings all they do is put up a couple of posts in the middle of the road: they put up a couple of planks and leave the road there. Usually the young people drive through before they are convinced the road is closed. Never does the railway put up a fence which really prevents youths from using the road as a crossing point.

It has been the practice of Ontario Northland to close crossings when there is difficulty. If an accident occurs, the result will likely be that they close the road, with the result that the neighbouring township has to build considerably more road to provide a crossing somewhere else. But the railway does not put up an installation of the type the hon. member suggests. Had this been done, at least 15 lives would have been saved in my area alone in the last four or five years. If this is representative of the situation in other ridings across the country, I strongly urge that an amendment of the type suggested be passed.

There must be a major rethinking of our legislation if we are to see the type of link fence comparable to the fencing we find in cities, for example, around hydro facilities or anything else which presents a major danger to young adults. The railway companies should be pressed to consider the installation of such fencing in all areas. It would not be the kind of fencing railroads are now required to provide. It would be a new type which would be child proof, which could not be scaled and which would largely eliminate the danger to which the hon. member has called attention.

I have in mind the safety of children whose parents live in suburbs close to a railway where trains often pass at considerable speed. Perhaps the danger is greatest in those areas where not many trains pass during the day and where, as a result, parents are often not as diligent as they otherwise might be in supervising their children.

It is possible that the provision of adequate restraining fences would call for municipal money as well as for railway money. Nevertheless, I think the idea is well worth considering. I hope the House approves this amendment so that the railways will begin taking this problem seriously and do something about it.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, first of all I must congratulate the mover of this bill concerning railway fencing. I think this question has not been dealt with for a long time because, according to the law, only 4 foot 6 inch fences are needed. That would be all right in rural areas because, along the tracks in my region which is 90 per cent rural, fences are generally well maintained, even though it is especially difficult for the CN during winter to keep those fences in top shape as snowdrifts have knocked them down over many miles. In springtime the railways companies have to spend much money to put up again their fences. But I do not believe it would be necessary to require that those fences be 6 or 7 feet out in the country.

This bill deals with fencing in urban areas. Here again, I would favour 4 foot fences even though the bill specifies 8 feet 6 inches but that depends on the type of fences, Mr. Speaker. If the bill refers to existing fences, those which are put up according to the law, they will be proposed in the cities, but they will not represent an obstacle for children. So we must discuss the type of fences and I think that should be done by the Committee on Transport and Communications.

I think that what is needed is at least an 8 foot barbed-wire topped steel fence because the usual small fence with large squares would not prevent children from going through and playing on the railroads.

I think that we must inform the people. The best fence is child education. We must teach the children that the railway is a public road, just like the highway. We very rarely see children playing on a regional road. The previous speaker, the spokesman for the Progressive Conservatives, said earlier that the lack of fences causes fatalities, but let us not forget that fatalities can also be caused by cars when children are not careful enough and play on the roadway. But this is no excuse for the railroads.

If we want to talk about the quality of fences to be put in cities, let us talk about fences that will not completely disfigure a city.

Railway crossings ouside and even within city limits where there are no signals are another problem which should be submitted to the Committee on Transport and Communications. I have already talked in the House about these railway crossings where there are no signals. It is a fact that the signals exist on interprovincial roads, but in rural centres, there are many secondary roads with little or no signals.

In my opinion, this is a bill aimed at protecting everyone. This matter should be submitted to the committee. But to come back to the bill, as concerns fences to be put up in cities along railways tracks, I believe this is a very important matter since we cannot take too many precautions to protect the life of children, and even if the only result of the bill was to draw the attention of the Minister of Transport (Mr. Lang) to the

matter for it to be referred to the Standing Committee on Transport and Communications where it can at least be studied so that something can finally be done about a type of fence which would be appropriate for the cities, the hon. member will not have lost his time and we could give the population of our regions a much better safety device to protect the children.

● (1720)

[*English*]

Mr. Alan Martin (Scarborough West): Mr. Speaker, I am pleased to have an opportunity to join in this debate this afternoon on the bill introduced by the hon. member for Palliser (Mr. Schumacher) in which he points out another area of the social responsibility of the railways to the Canadian public. In effect, he is touching on an over-all area which is of interest to me, not by design but more by accident owing to circumstances in the area I represent in metropolitan Toronto.

Here we are talking about a question of the adequacy of safety factors that are designed to prevent people from having access to the railroad tracks, which is quite desirable. In another instance, when we talk grade level separations, as referred to by one of the other speakers this afternoon, we are referring to the need for adequate safety factors in order to prevent collisions between trains and vehicular traffic. In both cases I am personally not at all convinced that the railroads, the municipalities or even the provincial or federal government have given sufficient attention over the years to the hazards that exist.

I was most impressed this summer in England, on an automobile trip that took us perhaps not more than 250 or 300 miles from north of London down to the south coast, to notice that in not one case did we traverse a railroad track at a level crossing. In other words, every single crossing was graded. I mentioned this in the course of a conversation with my companion who has lived in England all his life and I asked him how this came to be. He said it was really simple, because in that country when the railway came into existence many of the towns and the people populating them were there, so the railways had to conform to their wishes. In other words, they were bringing something new to the country and they had to conform with regard to safety factors such as those relating to fencing, level crossings, etc.

We see the exact opposite on this continent and certainly in this country where the railways in many cases constituted the first signs of any major spurt of civilization to appear in many areas. So the railways tended to have things going their own way. Unfortunately, this may have been satisfactory in the latter part of the nineteenth century and in the first part of the twentieth century, but is not satisfactory today and I do not think the Canadian public are prepared to accept this situation in the future.

I noted, in the few minutes that were available to me prior to speaking this afternoon, that the municipality of metropolitan Toronto has appealed to the federal government regarding the matter of adequacy or inadequacy of fencing. I believe that resolutions came forward as recently as 1974 in which metro Toronto was asking for a review of the situation.

I understand that the costs involved in what the hon. member for Palliser has suggested would be exorbitant. Nevertheless, it seems to me that the problem is there and that it must be addressed. I would like to think it will be addressed in conjunction with this over-all question of the adequacy of safety factors in urban areas. At present I am working with the CTC on this very problem. We cannot build quickly grade separations in Scarborough. This is, incidentally the responsibility of municipalities with substantial federal financial backing. We cannot quickly build the 35 grade separations that are needed over the foreseeable future, because 16 of the most urgent alone will cost $69 million. Therefore, we are forced to look immediately at the whole question of the adequacy of existing safety factors. I suggest that this safety factor at level crossings is just another extension, or vice versa, of safety factors that the hon. member is talking about in relation to people having undesirable access to the tracks.

There is another matter in relation to the responsibility of the railways in this country which should be mentioned, and that is the basic need for the railway companies—which, after all, are nothing more or less than a form of public utility—to respond more adequately to the concerns of people. Particularly in our modern urban situation the kind of responses they might have given even 20 years ago are not acceptable today.

When I was speaking in the debate on my own bill, C-20, on the need to have the railways go before the CTC for approval of additional marshalling yards, I used the example of an individual in an urban area who must go to his municipality for approval to build even the most minor structure in his backyard. I think I can bring out the hon. member's point today with the analogy of the home owner who wishes to build a swimming pool. He has an obligation, in most urban areas today, to fence that swimming pool adequately. In fact, in some urban areas the requirements are much greater than in others. This is done for one reason only, simply to ensure that access to that swimming pool will not be obtained by children or others who may be wandering around.

I do not know what the size of the fence should be, nor what its quality should be in order to preclude undesirable access to railway tracks, but I have a great deal of sympathy for the suggestion that we at least re-examine the responsibility of the railroads in this entire area.

I receive submissions from my municipality about the manner in which rights-of-way are maintained; about the fact that weeds are allowed to grow and in many cases the area in general is kept in an undesirable state. So I certainly support the proposal put forward by the hon. member. I presume it would ultimately require the Canadian Transport Commission to at least assess the adequacy of fencing in urban areas. I do not personally know whether it is now adequate or inadequate but I am prepared to believe the review made by the hon. member.

Another area of safety that should be considered is that involved in bridges. There have been examples of children

being caught on these bridges. In our own area last year two youngsters were so caught and had no chance to escape and were killed. I believe that one fell off and was drowned in the river beneath. Concerns in this area are extremely important.

• (1730)

I wonder if the government should not insist that the Canadian Transport Commission, which, after all, is the regulatory body charged by the government with the responsibility of overseeing railroad operations, take very seriously the submissions which are made to it by members of the public and by members of parliament who are after all acting on behalf of members of the public. In my view, the CTC should consider these areas of major concern. The commission should consider the adequacy of safety at level crossings which remain unprotected, and probably will continue to remain unprotected well into the future. It should also consider the question of speeds of trains through urban areas. That is another important factor. The manual may indicate that a train can proceed at 50 miles an hour through an urban area; that may have been fine 30 years ago, but it might not be fine today. Today there may be tens of thousands of people living in this same area and 50 miles an hour may simply be too fast a speed.

Warning devices in train cabs may be needed to help detect any vehicles that may be caught at level crossings. Perhaps more adequate fencing is needed to prevent undesirable access to tracks. It seems to me that there must be an over-all change in the attitude of the railroads toward their social responsibility. I quite agree that the railroads must perform specific services. They must transport people and goods efficiently and quickly. There is no question about that, but I think they also have social and community responsibilities just as hydro companies do with their electricity distribution; just as natural gas companies do with their natural gas pipelines; and oil companies with their related pipelines. The railroads have a responsibility to ensure that in the course of providing their services they indeed bear in mind concerns about noise pollution and these other very real concerns, whether they be with regard to urban areas or other areas, but particularly in the case of heavily populated urban areas where so many of the current problems prevail.

I have not had an opportunity in the very short time available to me to examine all the ramifications of what the hon. member has in mind, but I can easily and wholeheartedly support the concept of the need for a review by the Canadian Transport Commission at this time of the adequacy of the fencing situation, together with the adequacy of other safety factors relating to the over-all operation of railroads in our urban areas.

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I wish to join with my colleagues who have already taken part in this debate in commending my good friend, the hon. member for Palliser (Mr. Schumacher) for introducing Bill C-217. I know that the aim of the hon. member in introducing this bill is the security of people—and animals, probably—and, of course, the security of travellers. The bill calls for a fence of eight feet in municipalities—

Mr. Schumacher: Mr. Speaker, I rise on a point of order. There has been a mistake in translation. The bill calls for six feet, but the French version of the bill reads eight feet six inches. I do not know how that happened. I am sorry that I did not notice it earlier, but my intention was to have fencing of six feet in built-up areas.

Mr. Dupras: I am glad that the distinguished hon. member for Palliser corrected me. I have, of course, the French version, and it in fact says eight feet six inches. I suppose the hon. member means a fence with a minimum height of six feet. I read somewhere that fences are to be climbed, and starting from this point of view—

[*Translation*]

Fences are there to be climbed. I wonder what would be the reaction of the public in general, youngsters who are tempted to jump the current 4 foot six inch high fence provided for by the agreement between the Department of Transport and the municipalities. Section 214 which has been quoted reflects the existing agreement with municipalities wherein there is provision for joint programs with municipalities for the construction of fences.

The security of passengers as well as that of children is of the utmost importance, Mr. Speaker. I believe that my hon. colleague is indeed endeavouring to bring about such a protection. However, as my colleague, the hon. member for Scarborough West (Mr. Martin) has indicated, I hesitate to think of the cost of replacing the 4 foot six inch fence by a security system providing for a maximum height of six feet since there are indeed places where it would be necessary to raise the height of the fences. On the other hand, in certain other places, it would not perhaps be as necessary for railway companies to build fences if we consider the terrain, whether it is hilly, very isolated, without any houses in a ten mile radius, so perhaps it is less urgent for railway companies to build fences.

What we may have neglected in this matter is instructing our children on the respect of other people's property. They must learn that by trespassing on other people's property, it is as if they were in fact robbing their neighbour and it would perhaps not be necessary to introduce such restrictive measures if schools or families imposed a stricter discipline to prevent youngsters from jumping fences and trespassing on private property.

Mr. Speaker, there is only one railway line, Canadian Pacific, linking Montréal to the higher Laurentians, at Mont Laurier, cutting through my region and there exists already, as I have already indicated, an agreement with the municipalities it crosses, therefore I do not think it necessary to build a six foot fence along that line all the way from Montreal to Mont Laurier.

Perhaps when we give a new structure to our public transport system, it might be necessary to find a new design for our

railway tracks, especially on the section between Montreal and Mont-Laurier, and to use lighter and faster equipment, with new faster acceleration and deceleration devices. This would reduce the risk of accidents and in case of an animal, an adult or a child crossing the railway track, lighter equipment and a safer deceleration system would allow a far better control of the engine.

But I think it might not be worth investing in equipment which is not that necessary. A few years ago someone introduced a bill to relocate railway tracks within municipal jurisdictions. This relocation program might then give railway companies the opportunity to build new, safer and stronger fences which would make any trespassing much more difficult.

But outside this program, I do not see the interest for railways companies to assume an additional expense which as someone put it earlier with the number of railway tracks existing in our country could represent several million dollars. This would be an excessively expensive item and I wonder if we should not wait until this relocation program is applied and take the opportunity then to repair or rebuild new fences.

These are the arguments I wanted to put forward, Mr. Speaker.

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member for Palliser (Mr. Schumacher) raised a question relating to Bill C-217, namely whether the improvement of fences along railroad tracks would reduce the number of accidents recorded each year. Mr. Speaker, I want to congratulate the hon. member for his excellent initiative and I also want to take this opportunity to thank and congratulate all hon. members who participated in this important debate relating to the bill that the hon. member introduced.

All hon. members have very commendable intentions, and once again let me say that this is especially the case of the hon. member for Palliser. They show that the members are deeply concerned with the matter protecting not only adults but also and especially children. On the other hand, many of the municipalities that the members who took part in the debate mentioned have built miles of fences, especially at trouble spots, in collaboration with railway companies. In some cases however, the railway companies only paid for the usual fences necessary for the protection of the public and the municipalities concerned paid for the difference. In other words, this means that the companies are willing to go along with the municipalities if they want to build such fences.

It is difficult however for the railway companies to pay the total cost of such fences, especially when you know the huge amount of money necessary for such a measure. On the other hand, this situation could create a dangerous precedent if it were applied in various areas of the country.

I think that the systematic building of fences along the railroad tracks is not possible at the present time for the following reasons.

• (1740)

[*English*]

The basic question on the proposed Bill C-217 is whether improved fencing would in fact provide a higher level of protection against pedestrian accidents on railway property. At a number of urban locations throughout Canada arrangements between railway companies and municipalities have led to the installation of chain link fencing of the type suggested. The experience in these locations has indicated that while the fences serve the purpose of warning that danger exists, fences alone have not prevented trespassing. Fencing is open at each level crossing and trespassers have ample access at these points to railway rights of way. To some degree, high chain link fencing tends to deflect trespassers along rights of way, as opposed to the direct crossing pattern which exists under the less restrictive type of fencing.

It is not clear that fences, whatever their height, will successfully prevent trespassing on railway rights of way or significantly reduce the potential for injury to pedestrians. Most of the pedestrians killed on railway rights of way by trains are adults who are, of course, fully aware of the dangers of trespassing on railway property. For example, in 1972, 66 pedestrians were killed by trains, and 56 of these were over 16 years of age.

[*Translation*]

Let me question the very principle of fences along railway lines, as opposed to other modes. Nobody ever thought of installing fences along highways. The danger however is so much greater for a pedestrian to be hit by an automobile than a train. Apparently the public are more aware of the inherent dangers in highway traffic.

The main concern of citizen groups urging for the installation of higher fences along railways is for the safety of children, who do not always realize the danger in crossing tracks. The railroad industry already suggested that children in primary schools should be provided with basic instruction to make them aware of that kind of danger. I believe the hon. member for Labelle (Mr. Dupras) already indicated this in his speech. Certainly such a policy would be much more effective than this proposal.

It must be noted Canada's two main railroads have already launched school programs to that effect. The federal government are perfectly aware of this problem, and the Canadian Transport Commission conducts regular reviews in areas where it feels there is room for improvement. We have seen a number of cases where the CTC indicated to the railroad companies that extra protection should be provided. Generally speaking the latter have implemented the commission's recommendations.

In Canada's metropolitan areas we have a very high density and length of trackage, and the cost of installing fences along the roadway would be tremendous. Referring to studies that were conducted in 1972, the installation of six-foot high chain link fences in every municipality over 30,000 population would cost upwards of $100 million. Moreover, the annual mainte-

nance cost of such fences would be so much higher than the current cost of maintaining existing fences. In 1970, the capital outlay required for the installation of metal fences in the city of Toronto alone was estimated at $1,600,000 for a total length of 270,000 feet, and this involved the most dangerous areas only. Assuming this would have to be done in the metropolitan area, the cost would rise tenfold. These studies go back to 1970.

At present the cost would be much higher. It would be extremely difficult to justify this kind of expenditure particularly when we know that safety would not be improved much as a result. And even then in terms of figures let me continue to illustrate the ineffectiveness of a metal fence along a railway track.

Let us now take an example in the city of Ottawa. The Canadian National owns about five miles of fencing starting at the grade separation on Riverside Drive and extending to a level crossing also located on Riverside Drive. That fence was installed by the National Capital Commission and is being maintained now by the Canadian National. There are at present some twenty holes in the fence that were made not by planners but by people wishing to cross the tracks at a place convenient to them.

The job of repairing holes in that fence is given to specialists and is not being done by the maintenance crews of the CN. Repairs to that fence alone cost more than $100 a week, that is about $5,000 a year. The Canadian National also noticed that as soon as a fence is repaired it is nearly automatically reopened the day after.

In addition to the points I already mentioned applications are made from time to time to improve or put up fencing along railway tracks but there is still little evidence that a fence would improve safety or reduce accidents. Finally, the public always manages to get around the difficulties and rather than using the free crossings designed for that purpose it prefers to go over or through fences normally put up to protect them.

The federal government favours improvements in this area. It is doing everything it can to protect the lives of citizens. Hence it is very sympathetic to the ideas and the philosophy expressed in Bill C-217. Unfortunately it does not seem obvious that this bill would actually help improve safety or represent the best investment of public funds to ensure public safety. The government is currently reviewing in its entirety this matter of safety in railway operations. Hopefully that in-depth work will lead to very specific recommendations, as was mentioned by those hon. members who participated in this debate and made specific recommendations concerning the steps to be taken by the government in cooperation with municipalities and the railway industry which, as hon. members mentioned, also has responsibilities in this respect. Following those few remarks concerning the proven financial impracticability and ineffectiveness of such a broad bill the government must regretfully reject it. However, as I mentioned the federal government is now reviewing the whole matter of public safety along railway tracks both in urban areas as well as in certain other places in this country. I think the hon. member for Roberval (Mr. Gauthier) also touched on this point. We hope then to be in a position to propose a legislation along those lines in the months to come.

Hon. members have also emphasized the necessity for all municipalities to co-operate with the railway industry, and I feel they are now ready to work hand in hand with the government on this matter.

I should like to mention, however—

• (1750)

[*English*]

In these cases the railway restricted its expenditure to the amount it would expend in the case of normal fencing, and the balance of the cost has been assumed by the city or town in question. In other words the railways are willing to co-operate with the municipalities if it is their wish to install chain link fencing. The railways do not, however, wish to absorb the total cost of chain link fencing, particularly in the face of the large expenditures which could be involved if a precedent were to be set.

[*Translation*]

All hon. members will doubtless agree that if the federal government were to support such a project, in view of the ineffectiveness of security measures, we could have much more profitable investments.

On behalf of the Minister of Transport (Mr. Lang) I want to thank all those who have taken part in this debate for their positive suggestions. I wish especially to commend the hon. member for Palliser (Mr. Schumacher) who has brought up this important issue and who wishes to amend the Railway Act by adding, and I quote:

"(a) fences of a minimum height of four feet six inches on each side of the railway and in residential areas of incorporated municipalities having a population in excess of 3,000, such fences shall be of a chain-link construction with a minimum height of six feet, the maintenance and quarterly inspection of which is the sole responsibility of the company".

May I assure the hon. member that this bill is highly considered by the authorities of the Department of Transport and particularly by the minister. We can assure him that the government is extremely favourable to this concern with protecting public life adequately, and we suggest to the hon. member, as well as to those who took part in the debate this afternoon, that they continue being concerned about the importance of protecting public interest by ensuring public safety through various means.

Mr. Speaker, I feel that the views expressed here by all hon. members and by the Department of Transport reflect the wishes of the whole population. Mr. Speaker, I believe it is six o'clock. Should I continue my remarks?

[*English*]

Mr. Peter Stollery (Spadina): Mr. Speaker—

Mr. Paproski: Surely you are not going to talk this measure out, Stollery, are you?

Mr. Stollery: —this is a most important bill. I was looking through some references concerning the height of fences which ought to be erected in municipalities. I think it is an interesting proposal.

Mr. Knowles (Winnipeg North Centre): This is no way to mend fences.

Mr. Stollery: Mr. Speaker, my friends opposite think I am taking this opportunity to talk this bill out.

An hon. Member: Ho hum!

Mr. Stollery: That is not true.

Mr. Knowles (Winnipeg North Centre): The hon. member is trying to mend his fences.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT AND IMMIGRATION REORGANIZATION ACT

MEASURE TO ESTABLISH DEPARTMENT OF EMPLOYMENT AND IMMIGRATION, ETC.

The House resumed consideration of the motion of Mr. Cullen that Bill C-27, to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, when we broke off at five o'clock this afternoon I was commenting on the so-called development use of unemployment insurance funds as proposed in Bill C-27.

One of the so-called uses of unemployment insurance funds is for training programs. The Conference Board in a recent report noted that we had enough training programs and what we lacked was jobs. This is echoed by Ms. Barbara Goldman of the C. D. Howe Research Institute in a recent study entitled "New Directions for Manpower Policy". Canada gets a real payoff from training only if the trainees can find steady employment. Otherwise training is simply another form of providing income support.

In the same article, Ms. Goldman quotes Seymour Brandwein, the Director of the Office of Manpower Program Evaluation, Employment and Training Administration of the United States Department of Labour, as saying in 1976, and I quote:

> To the extent that economic growth generates new jobs, training programs should be a tool for developing the skills and performance needed to sustain such growth and for equipping workers of limited skills or other background to fulfil the opportunities offered by such new jobs.

Obviously putting more money into training programs will not eliminate unemployment. The economics of those regions I mentioned earlier will not even keep up with those coming into the work market. When in St. John's, Newfoundland, we learned from the Canada Manpower Centre and UIC officials that, just to keep the Newfoundland unemployment at 13 per cent, the economy of Newfoundland would have to produce 10,000 jobs, yet last year only 5,200 jobs were created.

We learned on that trip to Newfoundland and Cape Breton that there are many specific proposals regarding development of long-term economic opportunities, but they offer no far-sighted decision making by the federal government in collaboration with the provinces concerned. Such things as secondary harbours, establishment of marine bases for air and sea rescue, improvement and initiation of transport facilities, primary resource development to final stage, and shipbuilding with specific attention to fishing trawlers and a Canadian commercial fleet, require planning and a commitment to full employment as a basic right of each and every Canadian.

One other housekeeping amendment in Bill C-27 which ought to interest us is the pregnancy benefits amendment. Since clauses 34 and 38 open up this question, an amendment ought to be made which would provide adoptive mothers with the same right to unemployment insurance benefits as is allowed to one who has given birth naturally. This is a discriminatory clause which presently exists and ought to be changed now.

One other matter I would like to deal with is the question of appeals. At the present time there is an automatic right to appeal to an umpire by any worker covered by an organization of workers, a trade union. But a non-represented worker must seek the approval of the chairman of the board of referees. If he has a unanimous decision against him, he may get special approval to go to the umpire. I suspect this is watering down the right of organized workers. Now they all have to get approval of the umpire under certain conditions to have the appeal heard before the umpire. It would be much better if we gave all those who have appealed to the board of referees and who have had a unanimous decision against them an automatic right of appeal to the umpire.

In conclusion, we as a party cannot support those clauses in Bill C-27 that so obviously discriminate against the helpless of our country who have absolutely no influence with regard to public and private economic decision making. We will

introduce amendments to this bill in committee and at report stage which we consider to be fair, and which we feel will help to alleviate financial hardship for those who are unemployed at this time.

● (2010)

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I am glad that Bill C-27 has been introduced. I have long had contact with the unemployed in my area, on an average of 50 to 60 cases a week. All the problems arise from the fact that the act is worded in a style which the unemployed workers have much trouble understanding because it is too complex. Unfortunately, I note that the bill under consideration does not contain any clarification. There is nothing in this piece of legislation which can contribute to lessen or prevent complications and difficulties caused by an unemployment situation where the workers find it much too difficult to get what they are entitled to. Was the Unemployment Insurance Act established in 1940 to help the unemployed or to make them suffer?

I can very easily remember our Liberal friends when they seemed very happy that the leader of the government had solved the unemployment problems by introducing a piece of legislation. But since then, the technocrats, the public servants, the people who are responsible for the administration of the act have tried to make it more complex instead of simplifying it, with the results that we all know. And you need have no fear, Mr. Speaker, I shall provide proof of what I say.

Yesterday, I asked a question and the minister did not accept its premise, but tonight, the minister is giving me the opportunity to provide him with all the proof that he may want. Moreover, I could show him at any time in my office hundreds of files which show that because of bad legislation some public servants—I am not saying all public servants because some of them mean well—have to rack their brains to provide the unemployed with answers that make no sense and which are illogical. So, we are going to discuss this legislation. I hope that all hon. members will truly examine this act to make the required changes or else the unemployed will continue to live in poverty since they have no rights. We have established their rights but at the same time we shall write some restrictions in the law that will prevent them from taking advantage of these rights. We must consider unemployment as a social problem arising from an economic and financial system which is all too often at odds with the aspirations of an ever increasing number of Canadians who get discouraged after many unsuccessful months of job hunting. Try to get a job! Orders were given by Unemployment Insurance Commission officials to the effect that applicants must go out and look for a job in an area where there is none or almost none available.

Here is a letter from an unemployed worker in my riding which says that an official whom he had asked for information gave him the following answer: "We must cut down the number of unemployed by about 33 per cent. I could not care less whether it is you or someone else". Something is definitely wrong. I am aware that the government, realizing that the unemployment rate is rising, is using all the means at its disposal. Then, as a jobless applicant is disqualified for a variety of reasons which are all equally groundless, from receiving the benefits to which he should be entitled, he has no other choice than become a welfare recipient because no job is available. Why not try to enforce the law and help those who are in trouble with this topsy-turvy system.

It is true that work is not the final purpose in life but it is a means that a very high percentage of Canadians, young and not so young, would like to use to plan for their future and earn a living honourably. This is an era of contrasts. Thousands of persons are trying to make money by working; on the other hand, thousands of workers who have or had a job are picketting the streets to show that they are on strike. Man's creative genius has succeeded in improving communications but there are still many divisions. This is an age of technology and famine in the world. Unemployment Insurance payments are computerized while the unemployed go on waiting indefinitely. We rely on electronics but people live in relentless anxiety. How many times do we hear these questions: Where will this system lead us? Must one conclude that man is unable to control its development? Everybody will admit that it is not due to a lack of production. Agricultural producers are penalized because they overproduced. Thousands of unemployed would be happy to work so that production may become useful and be greatly increased. It seems that economic theories that had some value in heroic times when frontiers were opened prove obsolete in an urbanized society. We must now decide on the basis of the changes that are taking place.

Our two governments, that of the just society and that of the 100,000 jobs, have failed to solve the unemployment problem. It is easy to prove since we have tried at various stages to improve an overly sophisticated Unemployment Insurance Act which brings about many problems to the thousands who are constantly anxious about the future. Future evidence of the inconsistency: the unemployed are compelled to apply for many jobs in order to comply with the act and regulations, even though it is or should be common knowledge that it is impossible to find something which does not exist. There is no need to have gone to university in order to understand that. Hundreds of officials in manpower centres, who are well paid besides, are looking for jobs all year long. In spite of all the means they have to communicate, addresses of employers, telephone numbers, there is an important number of unemployed in their files. Generally, these people are well inclined but I do not think I am wrong if I add that nine times out of ten they have to tell the unemployed who want to get a job: "Sorry, but we do not have anything to offer you at this time".

● (2020)

When an unemployed person manages to get a job somewhere, quite often several miles away from home, and that, after making sure that this will be a permanent job, he files an application to get the benefits which could arise from a more flexible and better adapted manpower mobility plan, he is told that he has not complied with all the formalities. Oh yes, it

seems his job should have been found by the employees of the manpower centre. But they simply cannot get him a job so the man himself, because he has connections—a friend on a working site, a parent—manages to land a job and after making sure—he has got to work for a few weeks at least—after making sure that his job will be permanent he gets in touch with the manpower centre. No, sir, that doesn't work, you did not submit that at the beginning—he did not even know he would find a job at this place.

If a citizen from Sainte-Hélène in Kamouraska gets a job in Fort-Captif, 400 miles away from his home on the north shore, or if another one from the same place in Kamouraska wants to get a job in Montreal, 300 miles away from his home, when he leaves home he does not know if he will succeed in finding a job. But he has got to tell the employees of the manpower centre where he goes and, if he finds a job, he will have to leave it temporarily to tell them that he might probably get a job. This system can hardly be applied. In the construction field, how many workers had to suffer from the rules of the construction bureau which wants them to get working permits? Several workers from my area had to pay $200 and $225 fines for the simple reason that they had worked without a permit and that they could not get one for particularly stupid reasons.

I already took action to shorten the sentence of a young man, an 18-year-old student who had been found guilty of nothing more than working with his father on a construction site during his holidays without a working permit. We should not be surprised by the violent reactions that sometimes happen. Patience grows thinner with rigid laws and regulations too often creating more problems that the incentives that would be needed at certain times in life when things get difficult. The end result is that revolt gets the better of people who used to be moderates, and no amount of promises will quiet them down.

When the unemployed lose patience with the finicky administration of the Unemployment Insurance Act which is too complex already, should they be admonished or should they be said the benefits they are entitled to? The time is ill chosen to tell them there was a computation error or their file is dormant. In my view, many civil servants are dormant themselves. Not all of them, but a good number. The unemployed derives no comfort from being told his file will be converted providing there is no problem in the complex computer techniques. That is the kind of answer we get from the Unemployment Insurrance Commission offices.

It is easily seen that the well paid bureaucrats—some are too well paid—who draft the legislation know nothing of the unemployed's position. I looked up the definition of the term "Technocrat" in the dictionary, and this is what I found: "A supporter of technocracy; a politician or high-ranking civil servant exercising authority on the basis of thorough theorical studies of economic mechanisms, without taking sufficient account of human factors." No wonder our Unemployment Insurance Act is not understandable to most unemployed workers. Add to that a deluge of regulations prepared in such a way as to allow the most inventive civil servants to get at the unemployed at every stage of the application processing. Everyone knows this, we easily realize that everything is aimed at protecting the fund. Rather than helping the unemployed obtain a lucrative job, they are given generous benefits to assure their subsistence and that of their family. Another indication that the protection of the fund is the determining factor is the authority given to income tax officials—those are two teams which do seem to get along rather well—to determine whether a job is insurable.

The legislation is so complex that a team of officials is necessary to establish whether such or such a job is insurable. This transfer of powers proceeds from Bill C-259 passed at the end of 1971 after closure was invoked, one of the most bulky bills to be introduced in the House, having more than 700 pages. It was the result of a ten-year study of so-called improved taxation procedures and that famous bill had to come into effect at the beginning of January 1972.

The taxing authorities had been ordered to be on the alert and put an end to the rip-off and the first to experience the modified system were the unemployed. It is unthinkable but true. Some unemployed who had been waiting for their benefits for months were paid retroactive to January 1972 amounts due in November and December 1971. The computer with all its electronic circuits working deducted from unemployed workers $4, $5, and $6 a week for federal and provincial income tax. What a fine example of cooperative, separatist, leftist and provincialist federalism. All unemployed were taxed as of January 1972.

Of course, UIC officials received numerous phone calls about this method of taxation. Since they already had transitional problems to cope with as a result the new act, I saw fit to point out this fine example of fund protection. There are many others, namely the decision to disentitle people of 65, when most of them had contributed to the fund ever since the act came into force. You must agree with me that the fund was far better protected than the unemployed.

A further example: do we know what happens when a benefit period must be established? Officials must take into account all severance allowances which may have been paid to the worker when he was laid off, as well as special holiday allowances in addition to normal vacation pay to which he is entitled under the act and all bonues or premiums owed to him, since those fringe benefits are considered as income. Consequently the officials shorten the period during which the claimant is eligible for benefits. There again, they are protecting the fund. There are even examples of the UIC reducing the rate of benefit of farmers who had been getting subsidies for "wintering" cattle when the beef market was paralyzed. They are sort of subsidized by the government. The UIC considers this as an income. They have to report it and then their rate of benefit is reduced.

I could go on giving many other examples where the main intention is to save the fund. When we read the sections of the law and the regulations, we find out that those in charge of the administration of the plan have managed to attain their aim,

through the technocrats who write the law; regulations are added when the increased number of unemployed people makes it necessary. One time they decided to summon claimants to the UIC office and prepared non-eligibility notices for those who did not show up on time or on the date they had been called. I often had the opportunity of seeing that both notices were mailed on the same day. This has already happenned: anyone who does not report on the day he has been called does not have time to explain why he could not come, the notices are ready, the forms prepared in advance. Then, if your are not there at 11 o'clock, you will receive a notice of disentitlement of six weeks. I intervened with the board of referees a number of times to try and help out unemployed who were held through the system's faults.

● (2030)

Let us take a look now at what is happening when the employee leaves his job. The officials pay attention mostly to reasons given by the employer and the claimant receives a notice of disqualification for six weeks. They do not bother to ask him what are his reasons for leaving, no way. They call the employer on the telephone for additional details. The employee is disqualified for six weeks, he is not entitled to benefits. One would believe that a great number of civil servants are there because there is unemployment, because workers have contributed to the unemployment insurance funds for months and years. These civil servants owe their own job to this very fact.

Unfortunately, with such a bad law, these people have reached a point where they say: This is our fund, we are the ones who should protect it. How many times have I helped out poor workers to clarify this type of decision. It has been established beyond all doubt that the employee had good reasons to leave his job. I do not approve this attitude when reasons are not adequate, but one must not penalize a worker who has good reasons to change jobs.

Since statements of employment are often given too late to the employee, the ensuing loss of income should be charged to the employer. No, nothing in the act provides for that. Naturally, employers issue the statement of employment when the employee leaves, but some employers take weeks and months to do so. Then the commission says: You may file your claim anyway, but you will not be paid until the commission receives the statement of employment. But nothing in the act requires the employer to issue it or to support the unemployed person who has to wait because of his failure to provide the statement of employment.

I shall summarize this part of my speech by quoting a statement made by the former governor of the Bank of Canada, Mr. Rasminsky, which was published in the Quebec City newspaper *Le Soleil* on March 20, 1971, and I quote:

Unemployment, a necessary evil—Rasminsky

Last Thursday, the Governor of the Bank of Canada warned that Canada should not wage an all-out war against unemployment at the risk of creating further inflation.

He is safe, he has nothing to fear, for he is handsomely paid.

[Mr. Dionne (Kamouraska).]

"A margin of security must be maintained in the rate of unemployment", stated Mr. Rasminsky in his annual report to the government. Keeping a large number of unemployed on the labour force is a necessary evil to prevent greater evils, such as an excess demand and the depletion of supplies which would automatically result in price increases.

In a recently published book entitled *L'économie du diable,* by a French author, I read in a paragraph of Chapter I a short comment on the mirage of unemployment and employmnet, and I quote:

The extreme sensitivity of public opinion to the unemployment curse creates ideal conditions as it were, a sprouting of illusions. Myths, simplistic reasoning, beliefs, mischievous dogmas are second nature to man. Indeed, no other area of investigation succeeds any better in separating the researcher from the rest of mankind. Reality is not only far from, but often contrary to appearances.

Because of a so badly worded Unemployment Insurance Act and the confusion it creates and entertains, a number of civil servants confuse reality with probability. Some appear to have lost all sense of proportions. They know or ought to know that unemployment has reached very high levels in certain areas, but they force victims of unemployment to take useless and sometimes costly steps in search of undiscoverable work, particularly at certain times, of the year. If they were serious, they could consult manpower centres officials: they would be told that they have hundreds of applications in their files and no jobs to offer. Their regulations seem to get their inspiration from a Birman proverb which says: There may not be gold in every stone but there is no harm in looking.

Unemployed people are accused of living at the expenses of workers. Basically, if someone is living at the expenses of workers in our society, is it not rather those who exploit them? Unemployed people are entitled to social benefits. This is not a gift from the government. Unemployed people are entitled to some objective, undisguised information on their situation, on their due. They should not be penalized for the slightest omission. This is not a right, this is something of an attitude taken by civil servants, and I do not know what temper they can have, but there are some among them who are not easy to deal with. The worker is penalized if he deliberately quits his job, even if he is exploited and works under inhuman conditions; the unemployed is penalized if he does not look actively for a job, even if there are no jobs available and if the unemployment rate reaches 30 per cent; the unemployed is penalized if he is not available; he ought to stay at home near the telephone, watching television, listening to the radio, reading the newspaper, always on the look-out for a job. He is penalized if he moves, and moreover, he has to pay his moving expenses. The unemployed pay out of their own money for the operation of the UIC. And if, in spite of all this, mistakes and delays occur, they only have to pay twice. These are more or less the conclusions to be drawn.

Mr. Speaker, I will give the minister an idea of the reaction and I may add that it is fairly general. I used to know a responsible senior citizen who had been out of work and became quite familiar with the act and regulations. So, I asked him: I will give you Bill C-27 and I would like you to tell me what you think of its content. So he told me: I'll try. I shall

read you what he has to say which I feel is worth reading. I quote:

The person who shares his impressions here is a man of some years, with average schooling—equivalent to fourth year high school—who once in his life collected unemployment insurance benefits and to whom was handed the statute book on unemployment insurance in Canada, 1976 edition, as well as a copy of Bill C-27, as passed on first reading concerning unemployment insurance.

After over twenty hours of arduous reading, one reaches the conclusion that those documents are so ambiguous as to represent aberrations on initial reading, which aberrations then go beyond the limits of logic.

One gets the feeling that an attempt is being made at assembling a puzzle that would leave the most able creators in the field—some of whom are famous—flabbergasted and speechless with astonishment.

It seems someone was intent upon creating a maze the like of which schizophrenes or paranoiacs alone have the secret, or so it seems to me. I have had the same feeling before on hearing music composed solely of perfectly rhythmic discords. I take my hat off to those creators who deserve palms come from the most remote of equitorial jungles.

That gives you an idea of the reaction of one fellow who read Bill C-27 and the act of 1976.

Yet, I am no more stupid that the average guy. Until now, I thought I was of average intelligence. But now, I must confess that I suffer from serious complexes for, to my great shame, I must admit I learned very little except that some people can get unemployment insurance according to hypothetical conditions lost in a maze of nebulous considerations reaching from the stratosphere to the depths of Jules Verne's earth.

Yet, I must gather my wits about me and find out who can get, and how, those benefits that seem to come from another planet. Which benefits are measured by a yard stick that has nothing to do with British measures and even less with the metric system.

● (2040)

Now, the dismissed worker will be able to draw UI benefits if he manages to create opportunities for employment through his non initiative by convincing the employers that they will need him in the near future. The pregnant woman will only draw benefits if she has already been on unemployment insurance; if not, implicitly she will have to resort to abortion, secretly of course, be dismissed by her employer, pretend that she is unemployed and draw benefit—I can prove this—and get pregnant again.

This is the only way I know to become entitled to maternity benefits. This is right, is it not? Once again, implicitly; I did read between the lines. If I bore someone a grudge for something unforgivable, to be utterly sadistic, I would implacably condemn him to read these documents and to give a coherent report on unemployment insurance in Canada. But whether or not he succeeds in the long run, he would have the merits that only saints can deserve. Mind you, this man has drawn conclusions from the text of the Unemployment Insurance Act and from the contents of Bill C-27. I have plenty of examples in hand. I will cite a few, I have lots of time. We can say what we think about that legislation. It seems to me that we have got the time today, and there are many workers wishing to take part in this debate, I am sure. I hope there will be as many speakers as possible and that practical suggestions will be made to the minister so that he may improve that piece of legislation. I was told that the premises of the question I raised yesterday were rejected. If you want an idea of how it is working over there, hear what I have to say. Last summer the construction workers were on strike. Apparently 15,000 workers were affected. I am not a striker, I am a unionist, and I am glad to say it, but I am not a striker.

I find it unfortunate that a large number of unemployed workers underwent some hardship as a result of a strike. However, what is even more unfortunate is that the commission officials took so long before making their investigation. After that, I do not know how they worked. As far as I am concerned, there are some people who dragged their feet in that investigation, since the results took a long time before appearing. I have evidence of it here. Here is an individual who applied for benefits and was told the following: After considering your claim—he had submitted his claim on November 18, and he gets his reply on January 14 and is told: After investigation you were not party to the collective conflict, so you are entitled to benefits. But it took a month and a half to settle that. During that time the unemployed was not getting anything and he had no income. After that try and make me believe that the Unemployment Insurance Commission officials are doing their work properly. They certainly do not work rapidly. You have very clear evidence of that here.

Here we have another worker faced with technical difficulties. It is generally believed that computers costing thousands of dollars and installed in the offices of the Unemployment Insurance Commission should improve the situation. I heard it said once that in some cases people could be paid within two days. It was even suggested on the very same day. It was even suggested that a guy could get a cheque within four hours, a manual payment if it were in particular circumstances. I have personally never seen any. If the minister knows people who were paid within four hours or two days I would be quite happy to know their names because I would be pleased to meet them. Generally it takes a month to five weeks. Why so much with big machines that cost millions and hundreds of public servants who serve or do not serve. So does it take a month, a month and a half to pay an unemployed who needs his money?

Here is another case. The commission tells the guy who submitted his application: We took action on December 16 to allow the processing of weekly reports as of November 21 but we are unfortunately encountering technical difficulties in the settlement of your case. The transactions sent to our regional computer service were returned to us on January 13. So we are taking other means to accelerate the payment of benefits due for the weeks beginning December 5 and 12. We are following this case. That was on January 17. They had technical difficulties.

There are other examples. Another chap from Saint-Gabriel-de-Kamouraska was a construction worker and became involved in the famous inquiry. I point out to the minister that he should pay closer attention to my comments this evening because what I say relates to hardships encountered by workers in my area. There will be less of a surprise for him if he will pay attention and undertake to introduce amendments to help people in need. Indeed, the minister may be in for some surprises as was the case with some of his Quebec colleagues who failed for too long to cater to the poor

in their province. It would be better for him to pay close attention. It is a casual advice that I give him.

On August 16, the Commission said: "We received your claim for benefits. In the statement of employment received in September from Aluminium Bridge it says that the work stoppage may be due to a labour conflict; this is not sure, but it could be so. Then, as soon as the decision is known, we will follow-up, and that is all. We are sorry but such is the law." They are always sorry, but it remains that the man gets no benefits. There is another case where due to a complex wording, this inadequate legislation requires the officials to find something to tell the claimants. They have to check the third paragraph of the disqualification notice to the claimant. The legislation and the rules governing the unemployment commission are so complicated that employees, civil servants and others have to resort to incomprehensible phraseology. For those who are listening, try and make something out of this language. Civil servants say to the unemployed: You did not find that if you had not been unable to work as you state, you would have been available to work indeed? This is the text of a letter from the commission. Do you understand anything in that? What do you think a claimant can make out of that?

Here is the case of another worker in the construction industry. The head of special information at the central office in Montreal, 1441 Saint-Urbain Street, mentions in a letter dated November 24 that the renewed application by Mr. Bourgoin has been granted from September 12, 1976 and that steps will be taken on November 24 to expedite the payment of benefits. On the other hand, from the office in Rivière-du-Loup, on December 6 I am informed that payments are stopped after four completed weeks, four consecutive weeks. In the new measure, this has been changed, fortunately! But it took two years of hard work on the part of the commission officials and ministers—two of them—to finally be convinced that there is in the law a provision that prevents people from working. That's true, if they went to work for four weeks in a row during a period when they were unemployed, then they were absolutely disqualified.

More than 100 workers at the Bombardier plant in Sainte-Anne-de-la-Pocatière were called back two years ago, when Bombardier renovated its Moto-Ski plant, people who were unemployed because the plant was half closed. The company had called back more than 100 workers to work in the plant, so all those people who worked for four or five weeks completely lost their benefits. They were told their claim year was ended. Imagine! It took two ministers and their officials two years and a half to grasp that. Now it is changed. I owe congratulations to those who made that change, it does not happen often that we have the opportunity to congratulate them, so you can applaud them, gentlemen. I would like to applaud everything they do, but there are so many things in there which have to be changed.

I have here another case of job searching, and the difficulty to find a job. It is about a man whose leg was amputated at the knee. I know him well, he is a friend of mine. He even mananged to drive a tractor during 29 weeks. The commission starts annoying him concerning a visit to an independent doctor. He must go see an independent doctor to check if his leg was really amputated there. Imagine! We see stupid things like that every week. It is really stunning and absolutely ridiculous!

● (2050)

Another one had worked at the Desjardins plant until he had reached age 67. Naturally, he had not applied for Unemployment Insurance benefits; he had been receiving his Old Age Security Pension cheques since he had reached age 65. When he stopped working, he applied for his benefits. This occurred before the implementation of the provisions excluding people 65 years of age. These benefits were paid to him for a few weeks. Then, one day, he was asked to call at the Unemployment Insurance Commission office and offered various jobs. He was even invited to go and work in the Port Cartier as well as Bay James areas. This was a 67 year old man with only one finger in his left hand. How could the Unemployment Insurance Commission civil servants do this to him! They were relying on an Act which does not make sense, which requires complete reviewing and thorough amending.

Suddenly, they realized that they had made a mistake—they come up often enough with wrong figures—and claimed that there was an overpayment of $134 to his credit, as they had disqualified him for refusing to accept employment in the Bay James area. They had disqualified him and paid him $134 in excess. Later, they asked him to reimburse this amount. So I intervened and discussed the matter with the director who was probably the most understanding man in the world but who was under the obligation to apply the most stupid legislation in the world. So, this man was not yet entitled to his guaranteed income supplement since he had worked during the year. So they told me: He must get income from somewhere, he should be able to pay back those $134 since he does not get any supplement! If you can prove that he is eligible for income supplement, may we drop the case. This was pursuant to Section 175(1)(e)ii. By the way, I would really like to hear from the minister, at the first opportunity, how many unemployed people have received $100, $150 or whatever from the Unemployment Insurance Commission, due to an error and how many have been able to avail themselves of Section 175(1)(e)ii. I would really like to know that. So, I have contacted the Unemployment Insurance Commission, and I have not yet been paid, and then—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has now expired. He may continue his remarks with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Dionne (Kamouraska): I thank all my colleagues for being so tolerant. I suppose they would like to know how this legislation works. I thank them very much. I will try to be as brief as possible, but I want to mention those cases. The Unemployment Insurance Commission keeps asking this 67

year old senior citizen—who is now 68 for $134. I felt inclined to pay it myself. Really, I was ashamed to see such a team of civil servants. This case became known as far as Montreal. Some of them even told me that they were considering garnisheeing the savings he had in his bank account. Of course, I insisted that he get his supplement and he got it. I think that he and his wife each got $1,000 in arrears because his case had been pending for a long time. When the Unemployment Insurance Commission learned that they each got $1,000, they wanted the $134 paid back. They did not take into account the debts he had incurred. He had to pay the rent and still had to reimburs this amount. So, the case is still pending. This is why I am asking who can avail himself of this section?

I was talking a while ago about a friend of mine whose views I had sought about the bill dealing with pregnancy benefits—I know that many women get them as I dealt with many cases—but there are also endless complications in some cases. I have in hand a letter by a lady—who, like many other ladies—is not afraid to raise her children and who had been working for 24 weeks. Two months prior to her confinement, she applied for unemployment benefits. She had phoned me before hand to ask me what the procedure was. I told her that it was quite easy. But then, troubles started. She did not receive 10 week benefits. Between the 30th week and the 50th week prior to her confinement: Can you imagine? How foolish can you be?

I am still in contact with the Commission. I received an answer recently. They tried to convince me that she was not eligible for benefits while I knew she was; in spite of all the intricacies in the act, she should be entitled to benefits, it is a matter of common sense. She could not have drawn benefits between the thirtieth and fiftieth week before delivery since she never claimed them. She worked during the qualifying period, namely 24 weeks; why then would the Commission not pay? There are many similar cases. Mr. Speaker; if the minister wants to check, all he has to do is come with his team of civil servants and I shall show him files in my office; he will see by himself what is going on.

It seems that civil servants have been ordered to reduce the number of registered unemployed by 33 percent and the letter I received from this man gives me some reason to believe this. They say: I do not care whether it is you or another. We have received instructions from somewhere. I have been eight years on the board of referees of the Unemployment Insurance Commission in Quebec City. I was representing labour. From time to time we would meet senior officials of the commission and they would give us specific instructions. Of course it was confidential material but I never saw one in favour of the unemployed. They were always at the advantage of the fund. Only I was a worker representative and I did not fear to raise objections whenever valid reasons called for it.

For some time now I have had many occasions to appear before the board of referees to defend unemployed people in a bad position and I have never seen, or very rarely, unless he is more open than average, a union representative who would accept a dissidence on a doubtful case. Most of the time it is a unanimous decision and when there is unanimity, it is written in the law and permission must be requested from the chairman of the board to refer the case to an umpire. Imagine a chairman who has made a decision three days or a week earlier and finds himself confronted with a request in the following terms: your decision was not correct, could we have the authorization to refer the case to an umpire? What simpleton dare write such ineptitudes in the Unemployment Insurance Commission Act? It seems that with this new legislation, there will be no further need to ask for an authorization from the chairman of the board of referees. That is fine, for I know many lawyers from the legal assistance clinics who are having problems in that respect. It often happens that the board of referees maintain the decisions: they want to keep in good terms with the official. There is nothing so odd in my opinion, when I come before the board of referees, seeing that all of them are nice people. I do not want to over-criticize them, but sometimes the situation seems so strange. The unemployed I represent are asked: Are you aware of our responsibility? They say: No, not exactly. The board says: We are not officers of the commission. We will look over the legislation, and, your case considered in respect to the act and the regulations. If there is any chance of getting benefits paid to you, we will do it. That is what they say to cheer up the claimant. But decisions are delayed until three or four days. They are not taken right away, because too often the office would be upset if decisions were given immediately to some people I know. I told a chap who was not too shy to ask them by whom they were getting paid.

I have been on a board of referees and I know that they are paid by the UIC. Usually, I work for whoever is paying me. They are trying to make people believe that they are totally independent in spite of the fact that they are being paid by the UIC. The setting up of boards of referees was requested by workers' unions, especially by workers' organizations, to help people who were faced with unfair decisions made by UIC officials. This system has solved some of the problems, but it also has to be improved. Thanks to the amendments contained in this bill, no authorization will be necessary. Cases will go to the board of referees but all this process will take time. There are insurability cases pending since 1974. Even today, I have two phone calls related to cases that are pending, because the income tax people say that the employment is not insurable.

Here is the case of a worker who builds homes. He owns a cab in Saint-Gabriel, Kamouraska, but he did some construction work for five weeks. That job was recognized for insurance purposes. Fifteen days later he worked on another house. The work was the same but that job could not be insured because the man was not there often enough to supervise the present worker. Can one imagine such stupid decisions!

Now let us talk about trying to find a job. I have here a fellow from Rivière-Bleue. The man is quite active and once wrote to me to find out if I was in a position to find him work or make suggestions. At first I suggested he get in touch with the manpower people: he could at least visit them. They seldom find you work but in any event it gave him a chance to talk to them. He went to see them. Later on I suggested he

write to the Departments of Labour, both in Quebec and in Ottawa, and to everyone who might be able to find him work. I have that correspondence here. The fellow always got a nice reply, but he was told to get in touch with the local manpower people. He received the following answer: We have received your letter of May 4. But I was the one who sent that letter. I wrote to a manpower centre to see what would be their answer in Mr. Bouchard's case. The letter said: This is to inform you that we are sending your letter to our office in Cabano, 14 Commercial Street, as Mr. Bouchard is registered in that centre . . . From Rivière-du-Loup, this is not very far. There are labour ministers, all kinds of civil servants, all kinds of officers, but he cannot find a job.

How can this be? The minister is responsible for all this, no one can deny it. How is it that the employees of the commission disqualify people because they cannot find a job during a period when there is no work? Look here, I was told that the premises of my question were not acceptable but I can assure you that this is not a way to apply the law either. Somebody will have to change it.

I have here more examples of people looking for jobs, for example this young girl. I communicated with the manpower centre. She has been looking for jobs in 52 different places and she gives all their names. She is a shorthand typist and received a diploma from the school she attended, last June. She has not found a job yet. Today I am told that she will have to make a new application. The unemployed are penalized because they do not find jobs, because they have not searched long enough. But all this monkey business of our administration is madness and this should be changed, the sooner the better.

Recently I received this letter and the minister must have received the same one; it was written by a union leader who I think represents employees of the Public Service Commission and who asked me to retract my words after I said they did not know their job. That is funny. He sent this letter to the minister, who must have received it, to the leader of the Social Credit Party and to myself and he assures me that his people have exceptional qualities. I recognize that many of them are acceptable. But there are four categories of civil servants performing government functions: those who perform, those who perform slowly, those who don't perform at all, and those who perform in the wrong direction. We must be careful with those categories.

I wrote to him, I am not ashamed to say what I wrote. Here is my letter. He sent me back a copy, but I have extra ones in my files. This is a fellow who was ill, he had been hurt in an accident, he had a broken leg. Indeed he has not recovered yet. He may be fit for work again next month. He is still under medical attention. He was visiting with his father-in-law in Saint-Pamphile, in the constituency of Kamouraska-L'Islet.

He went back to Montreal where he had worked before. He went to see his employers to find out if he could resume working, even at a light job. And of course he applied for UIC illness benefits. He was entitled to it, he had contributed enough. The case is before a high-ranking UIC civil servant in Ottawa. I phoned him yesterday morning. So he sends a medical certificate, he sends a cheque. The fellow had received a small amount of insurance, a first cheque is deducted, so he is due $12, and on the other one they send him a cheque. Then he gets a notice: Final payment if work is not resumed. The fellow has a broken leg, this is plainly stated in his medical certificate, but final payment if work is not resumed.

So I wrote them because I was getting fed up to hear all sorts of remarks like that. The guy is going to send me the card which reads: final payment if work not resumed. So what did I tell them that crossed them so much? I thought it was very funny, though. That enabled me to know who was sick. Before that I was not too sure but now I know. He asked me to retract. Does it mean I should say; "maybe I should not have written that because you should not always tell the whole truth".

I told the commission guy the man had problems and had sent in two medical reports. The last one was dated December 10. It is obvious that Mr. Bernier was unable to resume work, he has a broken leg, and had to go back to his doctor. I was surprised to hear that the commission had sent him a cheque, the only one ever paid to him since he made his application. And that cheque, said: final payment if work not resumed. I think there are a lot of sick people on the staff of the Unemployment Insurance Commission who should be under appropriate care. In this case it is easy enough to understand that Mr. Bernier will not be able to resume work for several weeks. He has made the required number of payments, he is entitled to sick benefits. Why should the commission civil servants prove so mean? What they want me to retract are those two words—sick and mean. I think this is very funny. It is mean to deny payments and to make no effort to try to find out whether an applicant is eligible for benefits or not. That is being mean. I have nothing to retract on that. As for being sick, well, yes, there are sick people, perhaps sicker than that man who needed benefits. But they are sick in the head, and that is the trouble. There are all sorts of incurable illnesses.

In concluding, I would not want to take excessive advantage of the fact that my colleagues have allowed me to continue. I would like to make a few suggestions, not directly related to the clauses of the bill—I will have an opportunity to come back to them, as I have gone into them very thoroughly—and I think I am in a position to make practical suggestions, concerning phrasing and the legislation such as it was submitted to us. But tonight I shall limit myself to the following: First, we should rephrase the law and rules to make them more understandable, more social, more human, and change our way of implementing them to protect the unemployed instead of the fund; we should retrain, and that is important, as many civil servants as possible, those who do not work or who do not do their work properly, in an atmosphere of practical comprehension, by rotating lay-offs, so they become aware of unemployment related problems through living experiences. Let us lay them off for a while and we shall see their reactions. When they have waited one month, maybe two or three, to get their first benefits, they will be in a better position when they are

back on the job to listen to what the unemployed have to say. Maybe they would be eligible for holidays allowances or a severance pay and those moneys will be considered as revenue pursuant to rules 172 and 173.

They would learn to live for a few months under the same conditions as the unemployed and in many cases they could advantageously be replaced by qualified unemployed whose applications for jobs have been on file in the manpower office for months. That would not increase the number of unemployed and would contribute to train a team of civil servants who would be qualified to administer the law and rules, and appreciate the hardships and worries associated with a period of unemployment such as the one we are experiencing now.

● (2100)

[*English*]

Mr. David MacDonald (Egmont): Mr. Speaker, Bill C-27, which we are debating this evening, is part of the package which the government calls its new employment strategy, and we ought to examine the bill in that context.

If we are to endorse and support a policy for employment, that policy surely ought to meet two basic and vital tests. First, such policy must give individual Canadians the opportunity, encouragement and assistance required to obtain self-respect, adequate income, and satisfying employment. Second, it must do everything in its power to ensure that the priceless human resources of this nation do not go to waste or lie idle; it must ensure the well-being of all people, and see to it that the productivity of all our people is used to its best advantage.

A major contradiction is involved here, Mr. Speaker, because at the very time we are considering this "new employment strategy" which the government has brought forward we are observing in this country, as my colleague mentioned, a monumental increase in the number of unemployed. At present more than 750,000 Canadians are unemployed. They are people who are prevented from contributing productively to our economy.

To this group of unemployed one can add other groups of people who are all too often forgotten and excluded from productive employment. I think, for instance, of young people who are forced to stay in some training program or the classroom because there is no opportunity for them at present to be productively involved in society. I think of the handicapped and the disabled; I think of the elderly who often are forced into idleness although they have many productive years before them. I think of the mothers of young children, mothers who would gladly work part-time, of workers whose jobs make poor use of the skills they have acquired, and of those who are in employment which underutilizes their capacities. Finally, I think of the discouraged worker who has simply dropped out of the labour force because there are no openings for him. Measured in those terms, I believe Bill C-27 is a modest piece of legislation indeed.

I am surprised at the government's attention to this measure, since this bill would open few new vistas for bringing neglected groups or areas into the productive mainstream of the Canadian economy. Apart from its over-all lack of vision, what disturbs me most about the bill is its insensitive—I might almost say unaware—approach to regional unemployment.

● (2110)

I am somewhat disappointed that the Minister of Regional Economic Expansion (Mr. Lessard) has not yet, to my knowledge, publicly commented on this bill. Unfortunately he is not with us this evening. I certainly hope he will make some remarks at some stage during second reading because much of what I am going to say this evening has a real impact on the portfolio he carries with regard to economic disparities in this country.

I really wonder whether it is accurate to describe this bill as part of an employment strategy. As I said a moment ago, I am particularly concerned and I am going to speak very largely tonight about the implications of this legislation with regard to regional economic and social disparities in Canada. There are aspects of the bill I will not deal with that certainly are open to very real question. I presume other speakers will want to address their attention to them.

There is the question of job training. Over the past few years there has been a series of attempts, with programs under the Department of Manpower, to give people on-the-job training, and opportunities to provide skills and upgrade their education so that they will have better access to and better opportunity on the job market.

After the experience that we have had over almost a decade, it is high time that we know if there is any over-all strategy involved, if there is any realistic co-ordination between the Departments of Regional Economic Expansion, Industry, Trade and Commerce, Transport, or some of the provincial departments which have exercised very active concern and interest in this area. It is not enough to announce we are going to have new pilot projects without giving an evaluation of how effective we have been with previous programs, whether we have learned from them, and how we are going to tailor more clearly job training programs to realistic job needs.

In the area of job-sharing, which the minister commented on briefly this afternoon, there is a great deal of question and uncertainty. My colleague, the hon. member for Hamilton West (Mr. Alexander), gave an indication from his experience of some of the difficulties that have arisen in other countries with regard to this particular proposal.

I am somewhat disturbed by the fact there does not appear to have been much meaningful consultation with either the various provincial departments or agencies that will be responsible in this area, or with the major sectors of the industrial and economic community which obviously will have to take a very activist role.

My present understanding is that organized labour and indeed the industrial community do not look with any great amount of favour or interest upon this proposal. It is somewhat useless for the government to say this is a part of a new employment strategy if in fact there is little interest or co-operation on the horizon from these significant groups.

As I said at the outset, fundamental to any employment strategy must be the recognition that each individual in our society who wishes or requires to enter the labour force should be entitled to do meaningful work at an equitable return. Surely all of us recognize that as an essential requirement. This is essential both for the well-being of individual workers in our society and for the well-being of society as a whole.

When we look at the extent to which people on an individual and collective basis require the help of the whole community, both on an economic and social basis, to say that that must not be the central and beginning point is simply not to recognize the reality itself. As we examine these present changes with respect to the Unemployment Insurance Act, we must look at them against the backdrop of the individual's experience and companion programs which have been in the job creation field. It is a mixed record at best.

We have had programs particularly directed toward young people. Opportunities for Youth comes to mind as a first initiative of the kind of job creation area where people were given sums of money to create, in effect, their own jobs for socially beneficial projects of a short-term nature.

OFY and its companion program, Local Initiatives, which has gone through years one, two, three and four, have given us a great deal of experience with regard to the usefulness, advantages and disadvantages of this kind of job creation experience. In the last month or two the minister has launched the latest addition of these particular kinds of job creation programs with Canada Works and Young Canada Works.

The message is beginning to get through to the minister and some of his officials that all is not well with regard to a continued repetition of a particular, novel approach to job creation. While there have been substantial benefits in terms of some community improvements and some opportunities for people to be engaged in the work force for periods of time, it has not been shown to be at all encompassing or even a major solution with respect to job creation. I hope the minister will be one of the first to recognize this. I do not want to put words in his mouth, but he would not want to be anxious to say that through these programs, whether Local Initiatives or Canada Works, that in itself will affect in a major way the three quarters of a million people presently unemployed.

What disturbs me, and has disturbed me for some considerable time, is that at best these job creation programs are of an *ad hoc* nature. Their very set-up is an indication of that. Over the past four or five years that these programs have been in operation, there has never been any legislative measure which this parliament, or any of its committees, has had an opportunity to examine with regard to the efficacy of the programs or their required continuation. At best, this is a casual approach to a major expenditure of hundreds of millions of dollars. At worst, it is an indication that the government is not yet ready to say in categorical and long terms what are the benefits of such a program and why it should be enshrined within some form of statute which parliament has had a chance both to scrutinize and give its authority to.

[Mr. MacDonald (Egmont).]

To go on from year to year without any statutory consideration of programs of this nature, which obviously are now becoming somewhat of a permanent fixture, is really to play fast and loose not only with enormous sums of money but with the good will that is in communities, both large and small, from coast to coast in this country. They are willing to accept this form of government intervention, but only if there is proper stewardship connected with it. Unfortunately we have heard enough of abuses that have taken place to realize that public sentiment in a number of areas does not support these job creation programs.

I live in an area where people are so desperate for employment, and have been so concerned as to make the program work satisfactorily, that we have had a very high percentage of commendable projects both for individuals and for communities. However, for us to continue on a year after year basis with the government rushing in from month to month, either creating another kind of *ad hoc* job creation program or throwing more sums of money into specific regions because the unemployment figures have become absolutely intolerable, is a very irresponsible way for it to provide leadership.

I would hope that this government, even though it may well be in its dying days, would at least try to come to its senses with regard to a more sensible management of this particular initiative. That is all I will say about that particular matter because I know that other speakers will comment on it more extensively.

I want to deal with, as I said at the outset, what I see as a prime problem with regard to Bill C-27. Really it is a form of paradox or strange inconsistency. This is an interesting bill because, as the minister said today, and as was pointed out many months ago by his predecessor during the original budget debate when this proposal was first introduced, there is going to be a raising of the eligibility period from eight to 12 weeks. As my colleague, the hon. member for Hamilton West, reminded the minister again today, this is a policy which we enunciated some years ago and which the government has now, with some very delayed wisdom, accepted. The minister has accepted it and has gone on to estabish another principle about which we have also been equally concerned, and that is to deal with all parts of the country fairly.

● (2120)

Here is where we come to this strange paradox, Mr. Speaker. On page 18 of the bill the minister provides in clause 35 for what will be known as a regionally extended benefit. Then on page 33, and particularly on page 34 of the bill, we discover what this regionally extended benefit may mean, that there will be in fact extended benefits in areas or regions with unemployment in excess of 4 per cent. Then there are various levels, depending on the percentage of unemployment.

I have no hesitation in saying that I think the government has recognized a fundamental truth about this country, one that it does not recognize very often. Perhaps that is the reason why the Minister of Transport (Mr. Lang) has just left. I was going to refer to him in particular as one who has had great

difficulty recognizing this fundamental truth about Canada. We are not a bland monolith from coast to coast. Perhaps it is not nearly so necessary to say it today with the kind of regional tensions and anxieties which obviously exist in the country, but I believe those who think for a few moments about the varying problems, capacities, concerns and needs of this country will realize that there is a wide variation, not only in regard to such subtle things as attitudes, concepts and understandings, but also in very basic things, such as the ability to work and the wage scales which people receive for similar kinds of employment.

The government is certainly not uninformed in this particular area, Mr. Speaker, because it has been the subject of debate from time to time. The fact that the federal government itself as a national employer has offered various rates of pay for the same kind of work in different parts of the country has been previously questioned. So it is right and proper that with respect to these benefits there is one standard whereby benefits will be based on the number of weeks a person has been employed, which I think form the standpoint of incentive, which concerns all of us very much, is a proper and effective principle to have in place.

Then there is another set of criteria with respect to benefits which relate realistically to unemployment levels in regions across this country. I have not heard anyone, either today or prior to today, when discussing this bill oppose this basic concept of regional variation with respect to benefits. But the part that concerns me is that while the government has accepted, enunciated and established this policy in the legislation before the House today, it has done it for only one side of the equation. The government has said that it should exist with respect to the benefit side, but that it should not exist with respect to eligibility. I am going to say a little more later on about the specific approach which we feel must be taken in order that this piece of legislation be consistent.

As I have said, Mr. Speaker, I am not really giving the government news that it has not been aware of in bits and pieces in other areas of its responsibility. It is just that there is a shocking lack of consistency. In the program of local initiatives to which I referred a few minutes ago it is a well known fact that each year, once the program has been laid out, great attempts are made to judge, on a region by region basis, the exact unemployment situation so that the amount of money available can be tailored to particular needs. In fact in this particular year the variations are so great that the department discovered that certain constituencies could not even make use of their original allotment. Others were receiving two to three times the amount they were originally awarded last September. With respect to the Canada Works Program, as the minister knows, so far as additional provision for capital works is concerned there is no provision for those areas of particularly high unemployment.

We know that one of the fundamental principles of this bill is the bringing together of the Manpower side and the unemployment insurance side in some kind of package, the services being centralized and to a degree made more accessible to the individual who is looking for employment or to the individual claimant. There may be an additional hidden benefit, apart from the local services factor, or the national planning factor, which the minister has in mind in respect to this new legislation. Perhaps it will allow the department, this new reorganized department, to realize that it must be consistent on its eligibility side as well as on its benefits side. It will, in effect, let one side know what the other side is doing.

In its present context, this particular legislation is what I can only describe, in light of regional realities, as a sort of half pregnant piece of legislation. It is halfway there when it comes to recognizing that there is a particular problem, need or responsibility which the commission has in regard to abnormally high unemployment, and that there must be, as appears from the tables, a specific response to that particular situation.

I suppose that the minister or others might say that the reason we are not providing this eligibility period on a flexible basis is because the situation is basically the same from coast to coast. I think the minister referred to the fact that basically unemployment affects young people, those who are single, or second income earners; and he might also have said it affects those who are women. The implication is given, both in his comments today and in the notes earlier, that there is not really much of a difference whether people are unable to acquire benefits of 12 weeks, whether they live in Summerside, Prince Edward Island, St. John's, Newfoundland, Toronto, Calgary or Vancouver. I want to make it very clear this evening that nothing could be further from the truth.

The minister may now have had a chance to study the figures, but the fact is that the areas that are going to be hardest hit are the very areas with the highest unemployment. It is not surprising, Mr. Speaker, that on a national basis the percentage of those who are going to be affected is something like 13.2 per cent, those who are in the category of eight to 11 weeks entitlement. But when we look at the province of New Brunswick we find the figure there is 18.2 per cent, in Newfoundland it is 17 per cent, in Prince Edward Island it is 15.5 per cent, in Quebec it is 14 per cent, and in Nova Scotia it is 14.8 per cent. In other words, the five eastern provinces with roughly one third the population of Canada will have approximately half their people who have this entitlement from eight to 11 weeks affected.

This means that these provinces are the ones that will bear the heaviest brunt with respect to alternatives—either the alternative of getting some form of employment to increase eligibility to the acceptable level of 12 weeks, or the alternative of drawing social security, or simply the alternative of not generating any income whatsoever. But let there be no mistake that the estimated loss in terms of income on a provincial basis is going to fall extremely heavily, inordinately heavily, on those provinces least able to protect themselves. When we refer to New Brunswick we are talking about $13 million to $16 million. When we talk about Nova Scotia, we are talking about $6 million to $8 million. For Newfoundland the figures are $14 million to $18 million. For Prince Edward Island, something between $2 million to $4 million, and for the

province of Quebec, something around $80 million. I know some of the provinces have complained publicly, but I am surprised they have not complained more than they have to date. I suppose this is because they are preoccupied with other things and have not fully realized what a penalty they will be called upon to pay.

● (2130)

I suppose we shall be told that many of these people will find employment of an alternative nature to make up the difference. This is what the minister said in his statement. But look at the job vacancy rate in the Atlantic provinces. It has not exceeded 3,300, yet the statistics show that some 53,000 people in the Atlantic provinces will be directly affected by this change in the provision. If we assume that all of them will be looking for work, this means a ratio of 16 people for each job vacancy that exists.

Even more telling is the impact this measure will have province by province. I think, as I read the figures, we shall see a pattern here which is really serious from the point of view of reinforcing regional economic disparity. As the minister knows, there will be some benefits derived from the suspension of indexing. In 1977 this will mean a total over-all saving of something like $250 million, which will produce a benefit to Newfoundland of something like $4 million, but the loss of income to individual claimants in that province, those who are presently receiving unemployment insurance benefits, will amount to between $24 million and $28 million, leaving a deficit of well over $20 million. With respect to Prince Edward Island there will be a saving of $1 million and a loss of $4 million to $5 million; in Nova Scotia, a saving of $7,750,000 and a loss of $9 million. The province will only lose something like $1,250,000. In New Brunswick there will be a saving of $6 million and a loss of between $19 million and $22 million; in Quebec, a saving of $66,750,000 but a loss of $93 million to $109 million; in Ontario, a saving of $97 million and a loss of between $85 million and $101 million. In other words, Ontario will just be about in balance. In fact, depending on how things work out, there could be some real economic benefit to Ontario. The province of Manitoba will save some $10,500,000 and lose between $7 million and $8 million. Saskatchewan will save $7 million and lose between $8 million and $10 million.

Take a look at the western provinces. In Alberta, they will save some $19,700,000 and lose only between $7 million and $8 million. In British Columbia they will save $29,500,000 and lose in UIC payments between $18 million and $21 million. In the Yukon and the Northwest Territories they will save $1 million and lose between $1 million and $2 million.

These figures are dramatic in their implications when one looks at them in terms of one simple comparison. The Atlantic provinces will be saving $18,750,000 but losing between $56 million and $66 million, as compared with western Canada which will save some $66,500,000 and lose between $40 million and $47 million. It is apparent, therefore, that there is a very real regional impact associated with this bill.

The minister has told us nothing about all this. The information has been given in percentage terms which always reflect an average on a national basis, with an indication that this proposal will affect only certain individuals who are not closely attached to the work force anyway—they are little people who work a few weeks to get enough stamps to draw benefits for a considerable period, and the assumption is that we should not be too concerned about them. The insidious thing about the comments that have been made is this: there seems to have been an attempt to cast aspersions on those who are young, or single, or second-income earners, as though they are somehow a second order of humanity.

An hon. Member: That is your interpretation.

Mr. MacDonald (Egmont): It is an interpretation. That is right. And it is one which I make with a very strong assurance. As I studied those figures I realized that a very high proportion of these people are also low income earners, as the minister himself agrees. He told us they have a weaker attachment to the work force. One of the conclusions I draw is that these are the people who are likely to be hit first by any change of program, the people who find it hardest to establish a permanent attachment to the work force. This is not because they are consciously trying to rip-off the unemployment insurance fund but because they are the people who find themselves at the bottom of each and every scale in terms of employability, opportunity, training, and forms of employment available to them. This approach on the part of the government, taking it out on those least able to protect themselves, is not a new approach.

We may have a new minister, but what is being developed here is consistent with what the government has been doing over a considerable period. I would remind hon. members that it was the present government which, only a short time ago, decided to eliminate from benefit possibilities those who are over 65, and decided to reduce benefits for those whose families were larger in size than average. Again a high proportion of such groups live in the very regions which have the highest unemployment rates. On a per capita basis, provinces such as Prince Edward Island and New Brunswick have a much higher proportion of people aged 65 and over than the national average. In those same provinces larger family units are to be found on a per capita basis than in other parts of the country. Yet these are the people who are called upon to bear the effects of these benefit changes.

There is a consistent pattern here. I suppose that as one member coming from a disadvantaged province I should be grateful that the bill at least offers a provision for regional benefits. Maybe the government is taking one timid step toward recognizing that this is a country of regions and that it must respond to the needs of those regions sensitively and reasonably. However, what we have found up to the present is an anti-regional development policy, with the sole exception of the benefit provisions. If the government really wants to harmonize its program with respect to regional disparities—and as the Prime Minister (Mr. Trudeau) has often said that

this is one of the cornerstones of his leadership—it will need to be more consistent in its legislation than it is in the bill before us.

● (2140)

If there are those who believe that the whole question of opportunity for employment is the same from coast to coast and they have not yet begun to realize that there is some major variation in employment opportunities, I would just like to throw out this one further fact with respect to the seasonality in employment, and I want to make it very clear that one of the underlying problems we face in dealing with abnormally high unemployment in several regions of the country is that far too many of the major industries in these areas are seasonal in nature. We have only to think of industries such as agriculture, fisheries, and tourism to realize the very short duration of employment that is offered in these specific industries.

As one indication of this variation in unemployment rates from the best to the worst month in 1976, let me point out that it was two and a half times greater in terms of variation in Newfoundland than in Ontario, and that was because the province of Newfoundland, perhaps more than any other province in this country, has so much of its industrial employment located around seasonal industries, and until they recognize this, not just in terms of the benefit provisions but also in terms of the eligibility, this legislation represents at best an inconsistent attempt to deal with an employment insurance program for this country.

I said a few minutes ago that the minister referred today—and there have been references previously—to the situation of those who are single, young, or second income earners, but, as I noted, particularly those who are in the low income brackets are in that situation because they are employed in jobs which pay very little and, in far too many instances, provide employment for a short-term period. I am specifically and consciously aware of this fact because during the past few months one of the major industries in my end of Prince Edward Island, that of Irish moss harvesting, has been particularly hard hit. In a good year there may be employment in harvesting Irish moss for perhaps 10 or 11 weeks, of maybe even 12 weeks. In a bad year they will be lucky to get eight weeks. That has certainly been the situation this year. But perhaps I am not telling the government something it does not know because, as a matter of fact, just a few days ago the federal Minister of Fisheries (Mr. LeBlanc) announced a subsidy program because of the particular hardship borne by these fishermen in PEI and other provinces as well.

I want to come to the essence of what I think is important to make this bill equitable and consistent, and I draw the attention of the minister and of all hon. members to the amendment which my colleague, the hon. member for Hamilton West, indicated today he intends to propose in committee. I think that this is a basic approach, and while affirming our desire to see the Unemployment Insurance Commission move closer to its original insurance principles, he has recognized that it must not be done by attacking the poor, and that any solution must be highly sensitive to the differences and the composition of our regional work forces.

The amendment would accept the basic 12 week entrance minimum but would allow, in regions of chronic unemployment or seasonal unemployment, the lowering of the minimum down to eight weeks where there would otherwise be undue hardship caused for those who live in those situations. I think this is a fair amendment. Without going into detail, it is certainly consistent with the other parts of this bill where we see, for instance, that regional unemployment rates are used as part three of the benefit structures. I would hope therefore that the minister would seriously consider it when this bill reaches the committee stage. Certainly it fits very clearly with the report of the Economic Council of Canada in 1976 when, in commenting on the general question, in this document entitled "People and Jobs" it states the following, on page 39:

> It would, of course, be possible to try to eliminate abuses by cutting certain categories of claimants or the duration of benefits, or by extending the period of work before claimants become eligible for benefits. But such recommendations could prove harmful to persons most exposed to periodic and genuinely and involuntary unemployment. It would seem better to go after "malingerers" more directly. For this reason we believe that much of the problem of abuse of unemployment insurance could be solved by two methods—by tightening administrative efforts to get persons back to work, and by creating jobs to absorb them.

I believe my colleague, the hon. member for Hamilton West, has focused on the problem in the right context. He used the words this afternoon of a new federalism, one that will be realistic and flexible but one which would consistently recognize the basic employment and insurance needs of people in the various regions of this country. I hope that members on all sides of the House, and in particular other colleagues of mine from the Atlantic provinces in other parties, and those who are concerned that we have in effect a national program which adequately reflects the situation in this country, will give favourable consideration to this proposal when it reaches committee and make this in some measure at least a more responsible bill for the Canadian people generally.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I believe that the main purpose of this bill is to camouflage another major policy shift in the direction and the thrust of the Department of Manpower and Immigration, and one which I predict will be as unsuccessful in meeting the needs of the Canadian people as the earlier reorganizations which have taken place in the last dozen years have been.

I remind the minister that until 1966 we had a national employment service whose function was to find jobs for people who were unemployed, and an Unemployment Insurance Commission whose job was to provide insurance for those who were temporarily unemployed. Then the so-called experts inside the department, and some of the myriad experts from outside who were hired on contract at fat prices, decided that the real trouble in this country, the reason we had so much unemployment, was because our work force was under trained. They ignored the fact that in the last 20 years tens of thousands of young people continued through the high schools, young people who in earlier generations would have left school after

grades six, seven or eight. But the panacea for unemployment was to give people training to fit them for the jobs which were supposedly available. So we concentrated on job training.

We built community colleges and technical vocational schools, we spent tens of millions of dollars, we hired teachers and we offered courses. In the estimates for the last fiscal year we provided for job training and training allowances to keep people while they were taking courses $771 million, and in the supplementary estimates, low and behold, there was another $100 million. So we spent $880 million on job training in the last year. With what results? Let me quote from a study done by Barbara Goldman who worked for the C. D. Howe Research Institute, in which she said:

> Canada gets a real pay-off from training only if the trainees can find steady employment. Otherwise, training is simply another form of income support, and there are, in many cases, more effective ways of providing income support.

● (2150)

In the same study she pointed out that current manpower programs are heavily weighted toward training, even though the training given does not often match labour market requirements. She pointed out that the amount of manpower training money was often decided not by the needs of the people who supposedly would get the training but by the political considerations of the government. She gave examples. She pointed out that in June, 1975, the then minister announced a $450 million direct employment program to last two years. When he did that the unemployment rate was 7.1 per cent. However, in December of the same year, when unemployment was up to 7.3 per cent, the then president of the treasury board announced cuts in Manpower programs of over $100 million, not because we did not need the money, not because there were not people who needed the training, but simply because it suited the political objectives of the government at that time.

Despite the $880 million we spent on manpower training last year, we have the highest unemployment this country has seen since before World War II. Now the experts are going to break up the existing structure of Canada Manpower centres and the department on the one hand and the Unemployment Insurance Commission on the other, and they are going to amalgamate the two departments into a commission headed by one deputy minister and an assistant deputy minister. I have a great deal of respect for the capacity of these two gentlemen, but they will be responsible for twice as much work as they have been responsible for up until now. I suggest that what we will have is a bureaucratic structure which will collapse under its own weight. However, there is another reason why this program will not work, and that is that the government has no commitment or belief in full employment.

We have heard two members from the official opposition today, and they really believe that many of the people drawing unemployment insurance benefits could in fact be working if only they wanted to. It is obvious the official opposition believes that, because it was the official opposition which first proposed that the period during which people should work before they can draw benefits should be increased from eight weeks to twelve weeks. They reason that many people get a job and work for eight weeks, just long enough to qualify for benefits. Then they quit and live happily, easily, and comfortably on unemployment insurance benefits. There is just no truth in that kind of thinking.

Mr. Epp: Oh yes, there is.

Mr. Orlikow: The hon. member for Provencher (Mr. Epp) says that there is. No member of parliament and no person who has looked at the question of employment and unemployment seriously would suggest for one moment that nobody is ripping off the unemployment insurance system any more than anyone would suggest that nobody tries to beat the income tax system or the medical insurance system, or anything else.

Mr. Epp: That doesn't make it right.

Mr. Orlikow: Of course it does not make it right, any more than it is right for some doctor in some part of Canada to pad the bills he sends to the health insurance commission of that particular area. The question is, is there a substantial percentage of the people who are getting unemployment insurance benefits who could be working, and I say that the figures we have which are compiled by Statistics Canada prove conclusively that that is not true. Let me put on the record what the figures for unemployment are, what the job vacancy figures are, and if the hon. member for Provencher would compare those new figures, he would see that even if every job vacancy in Canada were filled, there would still be over 700,000 unemployed. That is a fact, and the prejudices which members of parliament or people outside parliament may have will not disprove the facts.

What are the facts as we have them from Statistics Canada? As reported in the *Globe and Mail* of January 12, 1977, the unemployment figures for December of 1976 were as follows:

> Unemployment jumped to 7.5 per cent of the labour force during December from 7.3 per cent a month earlier, Statistics Canada reports.
>
> The number out of work jumped sharply to 754,000 from 708,000 in November.

In December of 1975 there were only 693,000 people unemployed, so there is an increase of over 60,000 in December of 1976. Quoting again from the *Globe and Mail*:

> The higher December unemployment brought the average unemployment rate for all of 1976 to 7.3 per cent. For each month, there were an average 736,000 jobless.

If we look at the provincial breakdowns, we really get a feeling of total despair. In Nova Scotia the number of unemployed jumped in December of 1976 to 32,000 from 26,000 the year before. In New Brunswick unemployment jumped to 30,000 from 27,000 in December the year before. Unemployment in Quebec jumped in December of 1976 to 253,000 from 216,000 in December of 1975. I have said this before and I say it again: I am not surprised that the people of Quebec did not re-elect a Liberal provincial government. With that kind of unemployment the people there did not have much choice. In

Manitoba the unemployment figures were at a stationary rate. In British Columbia—

The Acting Speaker (Mr. Ethier): Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PUBLIC SERVICE—REASON FOR DENIAL OF EXISTENCE OF BLACKLIST OF EMPLOYEES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I want to return to what I thought was a fairly straightforward question which I asked the Solicitor General (Mr. Fox) last Friday about denials by a top civil servant of the very existence of the now widely known and widely discredited so-called EPO list.

On September 30 of last year, Michael Pitfield, Clerk of the Privy Council, said in a letter to Walter Rudnicki, one of those on the list, the following: "I have never before heard of the concept of an extra parliamentary opposition, least of all one so officially dubbed". He then went on to elaborate.

What I would like to know is how it is that someone in such a high position did not know about this odious list and the silly letter accompanying it, particularly since last October 2 hon. members of this place made inquiries, and while no one knew anything then either, at least notice was, in effect, given.

Months later, confronted by a copy of the list and the letter, however, suddenly official minds and attitudes changed, and the whole matter is really quite shocking. It involves more than just the credibility of this government or a top civil servant. It reminds us of the so-called October crisis which was magnified by this government out of all proportion and became one of the worst blots on the civil liberties of Canadians one could possibly imagine. It also recalls the famous Aislin cartoon of a then prominent cabinet minister carrying Bell Telephone directories in his arms with the caption: "Now we have the list of suspects". All of a sudden lists are in the news again, not separatism this time, but EPO sympathisers, of all things.

The stonewall techniques and the silly, evasive non-answers are just as distasteful in some ways as the list itself. Are we so weak a democracy that we must have lists of young people and students who are radicals of the left or of the right? Are we to be lumped in with the iron curtain countries and former Nazi regimes which epitomize the police state concept, which deal in lists, which dealt in lists of all sorts, and which tolerate no dissenters?

● (2200)

I wonder, when the government House leader was attempting today to avoid the questions of the hon. member for Winnipeg North Centre (Mr. Knowles) by saying that the Pearson guidelines for giving persons singled out for certain purposes a chance to be informed and to defend themselves did not apply in the case of the EPO list, was he thinking how keen he was when minister of immigration to have Mr. Loney dismissed from his summer job and then, before he was even mentioned in the letter—before the list ever compiled—were we in 1971 and are we now so fragile a democracy that we resort to putting young people on lists—in many cases the best and brightest of our young people—merely for having strong views and speaking out, or for being activists.

As nearly as I can ascertain, the "radicalizing of the under classes of society", one of the things that the then solicitor general indicated some of these people on the list were doing, appeared to consist of trying to get a better deal for non-status Indians and Metis people by encouraging them in self-help.

I hope the present Solicitor General will take a strong stand against this sort of listing process and join with us at this time in roundly condemning the whole circumstances and practice. It reminds one of the Christmas rhyme which goes as follows:

He's making a list,
He's checking it twice;
He's going to find out
Who's naughty or nice.

In the particular case of the former solicitor general, he personally hand delivered it, and apparently all those to whom he gave it forgot about the whole thing. I have a feeling that Walter Rudnicki and some of the other score of persons will want more justification for what was done than this.

There is a lot of injustice still around, Mr. Speaker. Recently the Prime Minister (Mr. Trudeau) made some comments on the way the Japanese were treated during the war. Perhaps people like Walter Rudnicki, formerly a member of the Public Service of Canada, and Don McCleery and Gilles Brunet and Joe Primeau and others formerly in the RCMP ought to merit some redress and apology while their cases are still current.

In the meantime a little more frankness, openness and information would help a lot, and we will be counting on the Solicitor General for his co-operation in this respect.

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, in taking part in this debate tonight, I am of course aware that I have only a few minutes to reply to the question asked by the hon. member for Central Nova (Mr. MacKay). Late on the morning of January 28 last, the hon. member asked me if I knew that certain high officials not under my jurisdiction had supposedly denied at a certain time the existence of the letter read in the House by one of the colleagues of the hon. member, the member for Prince George-Peace River (Mr. Oberle).

Mr. Speaker, it is not surprising that I was not aware of the letter which had supposedly been written by the Clerk of the

Privy Council since I do not usually—I think that we do not usually do this on this side of the House—read the personal mail of other people. In any case, I think that the reply given at that time in the letter to which the hon. member for Central Nova has just referred clearly shows that among both politicans in the House and high officials, there never was in their opinion a black list like the hon. member tried to imply in this House.

I believe, Mr. Speaker, that it is indeed because this document has constantly been referred to as a black list that it has been mentioned only in general terms without any precision as to the date, so as to make allegations that there may have been a misunderstanding on the subject raised in fact by the hon. member for Central Nova. It is therefore not surprizing that no one on either side of the House ever heard of a black list because, as a matter of fact, there was no such list.

We all know that that the sole responsibility as concerns security that befalls the Royal Canadian Mounted Police consists in gathering information which is then transmitted to the departments and that it is then up to the departments, if they believe the information to be based on fact, after their own evaluation of this information, to apply their own rules. Of course, as the House leader and Acting Prime Minister explained this afternoon, if ever there was any doubt as to the loyalty of the person involved which could lead to a new classification or even to a demotion, a transfer or a simple dismissal, it would then rest with the department concerned to approach the individual, to acquaint him with the doubts raised and thus solve the entire matter.

Mr. Speaker, I think that one of the basic questions raised by the hon. member is the existence of a security service within a state. Nevertheless, when the report of the Royal Commission on Security was tabled in the House in 1969, it was clearly accepted by all the parties in this House that a security service was indeed essential in any democratic country if it did not want to behave like an ostrich in the face of the possible existence of subversive groups.

[*English*]

HEALTH—ARSENIC POLLUTION IN YELLOWKNIFE—ACCEPTABILITY OF MEMBERS OF TASK FORCE

Mr. Wally Firth (Northwest Territories): Mr. Speaker, the topic with which I wish to deal this evening concerns the establishment by the Department of National Health and Welfare of a task force to study arsenic pollution in Yellowknife, in the Northwest Territories.

The issue of arsenic pollution in Yellowknife is not new, by any means, since Yellowknife residents have known about arsenic pollution for some years. On January 18 of this year, as the arsenic story broke in the newspapers, an early Yellowknife pioneer by the name of Charles H. Schwerdt wrote me a long letter in which he described Yellowknife in the 1930's and 1940's. Mr. Schwerdt is retired and presently living in Surrey, B.C. He stated that residents of Yellowknife were aware of arsenic pollution even in those days. I shall quote part of the letter he wrote. He said:

> We had arsenic pollution of snow, water, vegetation all over the area as early as the spring of 1947—exactly some 30 years ago.
>
> I do not know if any records are in existence at this time to establish certain facts . . .
>
> This I do know. One Mr. Callaghan, known as the Peace River farmer, brought some milk cows and other stock in Yellowknife, hoping to establish a dairy farm there. I believe that was in the summer of 1944 or 1945, but not certain. However, this I do know. He lost all of his stock in less than a year after bringing them. Dr. Stanton, who was the resident doctor at the 'Con' mine, diagnosed and established the cattle died from arsenic poisoning on the vegetation. Plus the water. What compensation he was given I do not know.

That was the situation around 1947, Mr. Speaker. Over the years there have been many studies on arsenic, and people are losing confidence in the government's ability to cope with the problem; but the minister has announced yet another study, which I welcome, although with reservations. One of my reservations is that so many such studies have been undertaken over the years.

The Grainge report, which is part of the Yellowknife environmental survey, lists 24 separate studies on environmental conditions in Yellowknife in the last ten years alone. Most of those studies dealt with arsenic pollution. One study done in 1969 neglected to inform the public about such dangers as unsafe drinking water in Yellowknife Bay. The YES study indicated that there is a high level of arsenic in the snow. These and other examples over the years show that residents of Yellowknife have reason to be suspicious of the federal health department.

I also have reservations about the terms of reference of this task force, as set out in the minister's news release of January 18, 1977. There is no indication that this task force intends to break new ground. It is instructed to review all available data relevant to arsenic in the Yellowknife area; and, 24 official studies having been done in the last ten years alone, I wish them luck. But the minister has not laid down instructions for the testing of specific groups, particularly miners and people living in the Indian villages near Yellowknife.

On January 15, at a press conference I attended in Toronto, the National Indian Brotherhood and the United Steelworkers issued a statement declaring that there is a most serious arsenic problem in the Yellowknife area. As a result of these charges and the national publicity in the media, the minister announced the establishment of the task force.

One fact which came across clearly in the NIB and Steelworkers press release was that certain specific groups in the Yellowknife area, especially miners and certain Indian people, have come into contact with high levels of arsenic. However, little provision has been made in the terms of reference of the task force for directing the task force to examine closely these specific groups. Perhaps the general health of Yellowknife residents is good, and the exposure to arsenic low; but if certain groups are being exposed to unacceptably high, even dangerous levels of arsenic, the federal health department ought to act quickly.

I call for immediate action with respect to the Indian children tested by the National Indian Brotherhood. I also call on the task force to examine closely the working conditions of

those working in the mill and the mines. We know that the arsenic in the area is the result of the mining operations in that region. Mr. Speaker, the people of the region must risk exposure to arsenic on a daily basis in order to provide a home for their families. Surely, since the task force is to deal with arsenic and the dangers it creates to one's health, the first priority should be to examine workers who are in daily contact with it.

● (2210)

I would also point out to the minister that I found out earlier today that both the National Brotherhood and the United Steelworkers of America are highly dissatisfied with two of the three members on the task force, namely, Dr. Mackenzie and Mr. Tupper.

These two groups have asked, right from the day the minister announced the task force, that the members of this body be acceptable to all parties concerned, the mining companies, the unions, the Indian bands, and the federal health department. It was to this matter that I referred when I questioned the minister on January 24 of this year. As a result of appointment to this task force many concerned groups are prepared to be cynical of any findings even before this task force has had its first meeting.

The residents of Yellowknife are proud of their community. They are not ashamed of hard work, and they have adapted to a cold and often harsh environment in the northern half of our nation. Because they do work so hard they have the right, I repeat the right, Mr. Speaker, to expect the government to act responsibly in protecting their health and environment.

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the hon. member for Northwest Territories (Mr. Firth) has raised a serious question this evening about arsenic pollution. I want to assure him on behalf of the Minister of National Health and Welfare (Mr. Lalonde) and his parliamentary secretary, who unfortunately cannot be present this evening, that they take his concern seriously and those of the people of the area which he represents. That concern is demonstrated by the fact that the minister has taken the initiative to appoint a task force to investigate the situation.

I am grateful for the serious and conscientious approach to this matter which the hon. member for Northwest Territories has shown this evening. He has put a very useful commentary on the record tonight.

I was pleased to hear his words of welcome for the recently announced task force investigation into the situation which may exist at the moment. We are confident it will do a constructive job in identifying the nature and scope of any problem which may exist, and will recommend the appropriate kind of action that ought to be taken.

With regard to the hon. member's specific representations and suggestions about the work of the task force and how that work, in his view, could more properly and effectively be accomplished, I want to assure him that I will ensure that the ideas he has placed on the record this evening are brought to the attention of the Minister of National Health and Welfare so that he can take them into consideration with respect to the task force.

EXTERNAL AFFAIRS—REQUEST FOR RECONSTITUTION OF COMMITTEE ON INTERNATIONAL DEVELOPMENT

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, last week I concluded a speaking tour of 16 Canadian cities where I discussed with audiences across the country the subject of Canada and the Third World future. This journey followed a six-week study tour of development in Asia, where I visited China and also examined the operation of the Canadian International Development Agency (CIDA) in Indonesia and Bangladesh.

Thus in the past few weeks I have been able to examine Canada's foreign aid in the field itself, and also to observe the reaction of Canadians across the country to CIDA's $1 billion program. I made a similar tour of Canada one year ago and found widespread confusion about the effectiveness of aid.

I am sorry to report that confusion has worsened in the past year. There is now, in fact, a crisis of confidence in CIDA. The agency has been attacked for "goofs", the Auditor General of Canada has criticized "a serious internal control weakness," and the Prime Minister (Mr. Trudeau) has let the agency drift without full-time ministerial leadership. Canadians are now asking where CIDA is going. Until that question can be adequately answered by the government, CIDA will continue to suffer from an appalling image across Canada.

I found Canadians generally to be in favour of assisting developing countries, and I want to underline that fact. There is still support for Canada's involvement in helping developing countries, but the declining credibility of CIDA is undermining that very support for foreign aid. That is the point I want to bring home to the government tonight in asking that there be an overhaul of CIDA. This overhaul is now imperative to restore the support of parliament and the public in the strengthening of Canada's relations with developing countries.

The sub-committee on international development which received a reference from the House just prior to Christmas will begin its hearings this month. I think those hearings must attempt to get beyond the superficial criticisms of CIDA which we have been hearing from such critics as Dr. Morton Shulman, who has been raising questions which, whatever validity there may be to the charges raised, are still peripheral questions and do not address themselves to the heart of the question. The heart of the question is: does Canadian aid actually help the people for whom it is intended, and is it getting through to them?

I found on my tour of Asian countries, particularly Indonesia and Bangladesh, which are among the top ten aid recipients of the Canadian government, that not enough of our aid is getting through to the village level and that there ought to be greater emphasis on the community level. I think more attention should be paid to those projects that reach people's

lives and which enable them to take hold of development in their own lives. This would entail at the very least the raising of the priority of funding available to non-governmental organizations within the existing CIDA budget so that there would be a greater ability on their part to take part in community development in Asia.

So, Mr. Speaker, I am making an appeal for an improvement in the quality of CIDA's aid as distinct from increasing the quantity. The question of quantity is now, to my mind, a secondary question. The first question is to improve the quality. In order to do this certain steps must be taken. It is now obvious that the external affairs minister has neither time nor the inclination to control CIDA as it must be controlled. Here is a $1 billion agency that is not receiving any sort of full time ministerial control. The agency does need its own minister to control its far flung operations and to report on them to parliament. There is too much money involved for it to be given casual ministerial supervision.

This question has been floating around Ottawa for the past several months. It is time that the Prime Minister took specific action and made that change in CIDA's leadership. I think it is time now to re-evaluate our aid to Cuba and to consider cutting off aid to that country. Whatever good CIDA's agricultural projects are doing in Cuba, it is not possible to support them when Cuba finds the resources to send troops to Angola, and also now to train guerrillas for war against Rhodesia's white minority. The expulsion of Cuban diplomats from Canada for conducting an intelligence operation in Montreal raises further questions about CIDA being duped.

In other words, I think every so often CIDA must re-evaluate the actions of countries that are receiving our aid, and if indeed they do have resources to conduct spurious activities I think it is a solid enough reason to reconsider aid. The parliamentary sub-committee on international development must deal with the basic question I raise of whether aid is getting through to the village level, and of an increase in priorities.

Finally, CIDA ought to start a concerted drive of development education in Canada so that Canadians would have a better understanding of the actual help that CIDA is providing, along with the limitations of aid. There are many good things about CIDA. It is not only a question of the mistakes made by the agency. Canadians, as well as the members of this House, need to be able to get a balanced appraisal in order to have a proper judgment made of the value of this very important agency. The CIDA five-year strategy for international development co-operation has been in existence now for 18 months and supports the trade and monetary changes called for by the United Nations. I am sorry to tell the House that Canadians hardly even know of the existence of that strategy, and for that I blame the government for putting its own strategy on the shelf.

I think the time has come when those who feel warmest toward the aspirations of the Third World should probe the faults and failures of policies in both the developed and developing nations. Only such a thorough probe which the committee would be able to give if it had access to complete information about CIDA, including country reports, will help Canadians have a deeper appreciation of our changing role in developing nations. Only that kind of study will help us go beyond aid so that we can take part in the structural changes called for by the United Nations, and bring the Canadian public along with us.

● (2220)

[*Translation*]

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, it would seem that the leader of Her Majesty's Loyal Opposition has assigned very precise duties to the hon. member for Edmonton-Stratchcona (Mr. Roche) as regards the External Affairs Department and I wish to congratulate him for it. I was under the impression, falsely it would seem, that the hon. member for Saint-Hyacinthe (Mr. Wagner) was our department's official critic. It would appear however that he is no longer in his leader's good graces and that the hon. member for Edmonton-Stratchcona will be taking over.

In the debate of October 21, 1976, the hon. member asked some questions which have not been repeated tonight. He has dealt what I consider to be low blows to CIDA but these attacks were surely not included in the questions he asked on October 21 and that his leader has again asked on November 1, that is who is the minister in charge of CIDA. But that is not the case tonight, they are attacking CIDA, something we do not like at all and in the limited time allowed me, it is evident that I will not be able to present all the benefits of CIDA and specify exactly under whose control the federal government has placed it. Here again, I think that when they want to debate a question the members of the opposition should try to limit themselves to that question and not act as did the hon. member for Edmonton-Stratchcona and make criticisms while knowing perfectly well that I am unable to answer in the three minutes I am allowed.

On November 1, 1976, his leader asked other questions about the minister in charge of CIDA, to which the Prime Minister replied:

> That proposition has been under examination for several months now. The fact that the cabinet shuffle took place before the decision was actually made led me to discuss with both ministers the possibility of not having a junior minister for CIDA but using the present House leader to continue his excellent direction of CIDA, and that is a matter which is still under discussion between the House leader and the Secretary of State for External Affairs.

This question is still under examination. I think it is a straightforward, clear and precise answer. Nonetheless, I think it would be appropriate that I add a few remarks in English.

[*English*]

The government House leader (Mr. MacEachen) is continuing as the co-chairman of the Conference on International Economic Co-operation in Paris until the end of that conference. The responsibility for CIDA rests at the present time with the Secretary of State for External Affairs (Mr. Jamieson). Not only has the minister had regular meetings with the president of CIDA, but in recent months he has familiarized

himself with CIDA operations in several countries in Latin America where he concluded bilateral agreements on development aid and technical assistance.

With regard to the reconstitution of the subcommittee on International Development, the hon. member knows that as the last item of business before parliament rose for the Christmas recess on December 22, 1976, the President of the Privy Council introduced a motion which the hon. member has himself discussed.

[*Translation*]

Mr. Speaker, I believe that members wishing to discuss a question on adjournment should perhaps limit themselves to the specific substance of the origianl question, thus making it much easier to answer appropriately.

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

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Wednesday, February 2, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

REQUEST FOR ADMISSION OF PROFESSOR ANDRÉ GUNDER-FRANK TO GIVE LECTURE AT QUEEN'S UNIVERSITY—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise on a matter of urgent and pressing necessity. In view of the fact that Canada is a signatory to the Helsinki Accords which state in part that the signing countries will, and I quote, "facilitate the dissemination of oral information through the encouragement of lectures and lecture tours by specialists from other participating states", and in view of the fact that the Department of Manpower and Immigration has denied entry to the internationally known sociologist-economist, Professor André Gunder-Frank to speak at a symposium at Queen's University on, "Canada and the Third World", I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House express its desire that Canada live up to all sections of the Helsinki Accords and allow Dr. Gunder-Frank to enter into the country for his lecture.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

OLYMPIC GAMES

REQUEST FOR AID IN PAYMENT OF DEFICIT—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, I rise on a matter of urgency and that is why I ask leave to present a motion under Standing Order 43.

Considering that the Olympic Games held in Montreal have been an achievement for all Canadians; considering also the repeated requests directed to the federal government by the Quebec government to obtain financial assistance to reduce the deficit of these games; considering that the reasons given by the right hon. Prime Minister (Mr. Trudeau) for non-participation are not in order now, and the fact that Loto Canada revenues fall far short of forecasts, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House urge the government to take a substantial part in making up the deficit of the Olympic Games of 1976.

Mr. Speaker: Order. The House has heard the hon. member's motion. Pursuant to Standing Order 43 such a motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

* * *

[*English*]

SOCIAL SECURITY

PROPOSED CHANGES IN PROVISION FOR SPOUSE'S ALLOWANCE—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a matter of urgency, and that is why I ask leave to present a motion under Standing Order 43. I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House urges the Minister of National Health and Welfare to reconsider the spouse's allowance, as set out and confirmed in Bill C-35, which continues to discriminate against widows, spinsters, widowers and bachelors between the ages of 60 and 65, and to substitute for the spouse's allowance the payment of old age security to all persons between the ages of 60 and 65 who leave or are out of the labour market, regardless of marital status.

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

Some hon. Members: Agreed.

Some hon. Members: No.

• (1410)

[*Translation*]

TRANSPORT

REQUEST FOR ESTABLISHMENT OF ADEQUATE POLICY FOR EASTERN QUEBEC—MOTION UNDER S.O. 43

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, pursuant to Standing Order 43 I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the depressing state of every form of transportation in the Gaspé area in eastern Quebec, but more specifically in my constituency of Bonaventure-Îles-de-la-Madeleine, be it transportation of passengers, goods or mail by air or otherwise, a situation which is greatly hampering the economic development of this region, I move, seconded by the hon. member for Gaspé (Mr. Cyr):

That the government, and more specifically the Minister of Transport, establish as soon as possible a transport policy which is modern, consistent, efficient, which could meet the present and future needs of our area and which would satisfy the desires of our residents who are tired of begging and talking to deaf ears, a policy which would come into force the moment it is formulated.

Mr. Speaker: Order, please. The House has heard the hon. member's motion. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

* * *

SOCIAL SECURITY

SUGGESTED REDUCTION TO 60 OF ELIGIBLE AGE FOR RETIREMENT TO CREATE EMPLOYMENT FOR YOUNG PEOPLE—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent and the silence of the House to move a motion concerning a matter of extreme urgency.

Given the alarming increase in the number of young unemployed, which deprives our country of a human potential which is necessary to its development and prosperity, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House strongly urge that the government introduce without delay a bill lowering the voluntary retirement age to 60, so that young people can find jobs on the labour market.

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

Some hon. Members: Yes.

[Mr. Speaker.]

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

ANTI-INFLATION PROGRAM

POSSIBLE DATE OF TERMINATION—TARGET FOR LEVEL OF INFLATION

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. Can he tell the House when a decision will be announced specifying the date of the termination of the controls program?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, that will be announced only after there has been much more extensive consultation with the provincial governments, and indeed with business—

Mr. Fairweather: And with Keith Davey.

Mr. Macdonald (Rosedale): —and labour communities. The critical question is whether there is some general undertaking within the community that there will be an effort to restrain expectations after the end of the control period.

Mr. Clark: I am sure the minister would agree that it is important, in establishing some degree of certainty in the Canadian community generally regarding the nature of the economic policy, to have as soon as possible an indication of the termination date and the nature of the post-control policy. I wonder if he would tell the House when he expects to be able to tell parliament and create that condition of certainty within the community regarding both the termination date and the nature of the post-control policy.

Mr. Macdonald (Rosedale): I think it is equally important in a community such as ours where you have a great degree of decentralization in economic decision-making between the private sector and the provinces as well as the federal government, that any major step such as this should be taken so far as possible in concert with the views of other elements. In that sense, that process of further discussion and consultation will continue. I hope that within a month or so we might be in a better position to find out if there is any possibility of the provinces agreeing on appropriate timing or, if there is not, whether we should go ahead and conclude ourselves on the length of the anti-inflation program.

Mr. Clark: Let me congratulate the Minister of Finance on the completeness of his conversion, and let me ask him whether the government is still committed to achieving a 6 per cent rate of inflation by the end of this year and a 4 per cent rate by the end of 1978.

Mr. Macdonald (Rosedale): I hope we can do better than that, but my hope is tempered by some of the difficulties of the economic situation.

SIZE OF MONITORING AGENCY ENVISAGED FOLLOWING TERMINATION OF CONTROLS

Mr. Joe Clark (Leader of the Opposition): A supplementary question, Mr. Speaker. The minister has been speaking about a monitoring agency, leaving the impression that he wanted to turn the job of monitoring over to the Anti-Inflation Board which has grown to an excessive size. Is that in fact his intention, or does he intend to follow the recommendation made generally by the Senate committee which would establish, instead, a spotlighting agency which would be much smaller that the Anti-Inflation Board? Are we have to have a large monitor or a reasonable monitor?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have made it clear in this House and outside that we do not envisage the continuation of mandatory controls certainly beyond December, 1978 or, indeed, beyond an earlier period if we can, as I said in my previous answers, find some general agreement within the community on restraint of expectations. If there is to be an agency of that kind for the purpose of examining specific situations which could be inflationary, which would not be passing mandatory orders but making public comments on those situations, it could obviously be very much smaller than one which has specific responsibility for enforcing mandatory controls, as is the case with the Anti-Inflation Board.

POSSIBILITY OF COMMITTEE STUDY OF PROPOSALS FOR POST-CONTROL PERIOD

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question also is for the Minister of Finance. Since he has referred to a certain dialogue which is to take place between business and labour with respect to when the controls should end and what should happen in the decontrol period, since it appears that this House is being ignored, and since it is hoped that the ministry will allow a committee of this House to study policy options with regard to the decontrol period, options which the ministry may suggest, would the minister indicate when there may be a reference to the appropriate committee of this House, to study not only decontrol positions with respect to the government but to give us also a preliminary view of the economy in anticipation of the budget, bearing in mind that there may be decontrol and a new budget both before April.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, with respect to the latter point I would only say that I would expect to put before the Standing Committee on Finance, Trade and Economic Affairs some proposals with respect to a change in the manner in which we handle the annual budgetary statement. That being so, I would not contemplate bringing that matter to the same committee which would have the responsibility for examining questions involving decontrol and post-control. If the hon. member and his colleagues are agreeable to this, I would be prepared to talk with the House leader about the terms of a joint committee of this House and the other place, to be set up for the specific purpose of studying the long-range questions which would be involved. I suggest that particularly because of the heavy legislative timetable which faces the finance committee.

Mr. Stevens: A supplementary question, Mr. Speaker. Considering the variety of procedures by which the economy may be decontrolled, particularly relating to extended wage controls on public servants and the methods by which a retroactive price and wage explosion may be avoided, would the minister go further and tell the House whether it is intended to allow a parliamentary debate on the government's specific proposals for the decontrol period, or whether the administration proposes to take unilateral action without a debate in this House on the administration's position?

Mr. Macdonald (Rosedale): Mr. Speaker, the position with regard to further discussions has been made clear. To a great degree, the position we would take would be the result of the dialogue with other elements within the community, and I think it would be most appropriate at that time to have the discussions of that kind either in the joint committee which I mentioned or in the House as a whole, if the House leaders agree to that procedure.

* * *

PUBLIC SERVICE

NOTIFICATION OF PEOPLE WHOSE NAMES ON BLACKLIST AND REMOVAL OF NOTATION OF BLACKLISTING FROM PERSONAL FILES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister said at his press conference last week that the people on what is now known as the former solicitor general's secret list had been told that their reliability had been called into question in some sense. Since it has been confirmed that since the Prime Minister spoke at his press conference last week such people were not told about this, I ask him to ensure that present ministers of those departments notify such people that their names are on such a list. Second, will he take steps to ensure that the ministers remove from the files any such references to those individuals, so that their personal records do not show that their names were ever on such a list?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as far as I am aware there is no reference on the personal records of these people that they were noted by the RCMP and that their names were transmitted to the Solicitor General for whatever action he believed necessary. Therefore, I cannot give an undertaking to remove their names. I repeat, insofar as I am aware, and I believe a search has been conducted, there has not been any entry upon the records of these people that in some way they were to be watched, fired, demoted or other-

wise have their careers placed in jeopardy. Therefore, I really cannot give the undertaking for which the hon. member asks.

● (1420)

Mr. Broadbent: The Prime Minister did not deal at all with the first part of the question which pertained to these people having the right which was laid down in the 1963 guidelines by then Prime Minister Pearson and subsequently endorsed by the present Prime Minister in 1969 to be informed that their reliability was in question. Yesterday the Acting Prime Minister asserted that this action had not been taken. He interpreted the guidelines not to pertain to these people. Since the guidelines pertain specifically to such actions which "may" lead to a dismissal, will the Prime Minister agree that it does apply to such people and that they should therefore be told that their reliability has been called into question?

Mr. Trudeau: No, Mr. Speaker. The point of my previous answer was that in no way did this information which was collected by the police adversely affect the careers of these people. Mr. Pearson's guidelines, my own and those of this government, state that if security information collected by police agencies in some way adversely affects the career of any person, that person should be entitled to refute the information, discuss it, contradict it and so on. I repeat that this circumstance did not arise. I believe that is the answer the Acting Prime Minister gave yesterday.

What in fact happened is a very simple sequence of events. The police select whatever information comes their way which might have to do with the security of this country. Their role is to take it in, collect it and, I suppose, sift it and verify it. However, their role is not to act on it. When they have this information, they hand it to the Solicitor General. I presume that if the Solicitor General had done nothing about it, he would be accused today of not doing anything about information which came his way from the police about possible security lists.

Some hon. Members: Hear, hear!

Mr. Trudeau: He saw his duty and he alerted the ministers in charge of the particular departments and agencies that this information had come his way. I am sure that he personally knew none of the people on the lists. He was merely transmitting information the police gave to him. He transmitted it to the departments through their ministers. If they had decided some action should be taken, it would have been referred to their security official in the department who would have set a process in motion to examine these people.

I repeat my first answer. As far as we know, none of this happened. The ministers received the list. They made some judgment in their hearts that they would talk to, be careful with and so on, the people who were on that list, but no action was taken with regard to the files, the dossiers or security clearance let alone the dismissal of any of these people. Therefore, as far as we are concerned, and I said this last week, the matter is passed over. The only reason it is of concern now is that obviously some people within some department or agency have leaked this list and the opposition and the media are doing what they hoped we would not do, adversely affect the careers of the people on the list.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

FAILURE TO INFORM MR. RUDNICKI HIS NAME ON BLACKLIST—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the guidelines use the words "may have to involve his dismissal". After their reliability or security has been questioned, it might lead to that action. Since the RCMP prepared information which they passed on to the then solicitor general and he in turn passed it on to other ministers, one must reasonably presume that someone, including the Solicitor General of Canada, has called their reliability into question. Therefore, if the guidelines mean anything at all, do they not mean that such people should be informed that their reliability was being questioned? In relation to this aspect, I want to ask the Prime Minister about the case of Mr. Rudnicki who was dismissed a few years ago and who claims that this clause protecting his rights has not been applied. Does this not constitute a dereliction of responsibility on the part of the government? Will the right hon. gentleman not take remedial action by providing for a review board, something which Mr. Rudnicki still desires?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Rudnicki's dismissal had nothing to do with the letter which the solicitor general then circularized.

An hon. Member: How do you know?

Mr. Trudeau: Because I know. It was known why he was dismissed at the time. He was dismissed because of a particular case in relation to a cabinet document. That is the reason he was dismissed.

Mr. Baker (Grenville-Carleton): Read the judgment!

An hon. Member: Phone the judge!

* * *

[*Translation*]

SOCIAL SECURITY

SUGGESTED REDUCTION TO 60 OF ELIGIBLE AGE FOR RETIREMENT TO CREATE EMPLOYMENT FOR YOUNG PEOPLE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

As the number of unemployed is very high among the young and as there is no indication that the situation will improve in the near future, can the minister tell the House whether, as minister responsible for the matter, he has suggested or will suggest to his colleagues in cabinet that voluntary retirement age be lowered to 60 to allow those who wish to withdraw from

the labour market to do so, thus creating openings for a number of young people?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I must reply to the hon. member that unfortunately the studies made to date do not seem to indicate that such a step would lead to job openings for a considerable number of young people.

Mr. Lambert (Bellechasse): Mr. Speaker, we probably do not have the same information but, in any event, here is my supplementary: As, during the 1974 election campaign all political parties, including the Liberal Party, agreed unanimously to lower the retirement age to 60, can the minister tell the House when a bill to that effect will be introduced in the House so that it can be passed as soon as possible?

Mr. Lalonde: Mr. Speaker, the hon. member has once again been misinformed about the programs of the various political parties during the last campaign in 1974.

* * *

[*English*]

PUBLIC SERVICE

ORIGIN OF INFORMATION ON WHICH BLACKLIST OF EMPLOYEES BASED

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question, too, is directed to the Prime Minister. The right hon. gentleman said the extra parliamentary opposition list is now a thing of the past and it was an innocent event. Since the Solicitor General has taken it upon himself to illuminate all aspects of this embarrassing situation, can the Prime Minister tell us whether he has had discussions with the new Solicitor General, in particular, with regard to the origins of the list? Did the RCMP, the secret service, or the security service of the RCMP provide the information, or was the information made available to the then solicitor general by his own internal security group?

Right Hon. P. E. Trudeau (Prime Minister): I do not recall having discussed this with the new Solicitor General. I may have done so, because I discussed the general matter with him. But I think I can give the answer to that question. I know the names of the people on that list came through the RCMP security services in the normal course of their operation, that they were transferred to the minister and that he acted on them as I indicated earlier.

Mr. Oberle: My supplementary, then, is this: does the Prime Minister consider it to be the normal course of an operation of a security service of the RCMP to illegally enter the offices of a legally constituted corporation during a fire and selectively burglarize such an office?

Mr. Speaker: Order, please. The hon. member for Peace River.

• (1430)

REQUEST FOR ASSURANCE EVIDENCE FOR BLACKLIST OF EMPLOYEES NOT OBTAINED BY ILLEGAL MEANS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, might I try to approach the matter from a little different angle. May I ask the Prime Minister whether he could make a categorical statement to the House, from his knowledge of this subject matter, that some of the evidence from which this list was prepared was not obtained irregularly?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am in some confusion here. The previous question apparently had to do with an illegal break-in. I missed the beginning of that question because there was so much noise in the House and I may have given a wrong answer to the question. I assumed that the previous question was a question about the list we have been discussing.

Mr. Baldwin: Yes, it was.

Mr. Trudeau: The hon. member says yes. Then I do not know what the question of a break-in and illegality has to do with this particular matter. Let me get back to the present question.

Mr. Baldwin: Mr. Speaker, I will be glad to let the right hon. gentleman get back to the present question, which simply asked him whether he is prepared to make a categorical statement to this House that part of the evidence and facts upon which the list was prepared was not obtained through irregular means.

Mr. Trudeau: No, Mr. Speaker, I am not prepared to make that statement. I presume that the RCMP obtains its information in legal fashion and that the people on this list came to their attention through the normal operation of the security services. I do not ask them where they get their information on security matters. I believe that the opposition would be rather incensed if I entered into the operation of the RCMP and tried to find out how their security information is gathered.

PROPOSAL TO ESTABLISH INQUIRY INTO BLACKLISTING OF EMPLOYEES

Mr. F. Oberle (Prince George-Peace River): A supplementary question, Mr. Speaker. I should like to ask the Prime Minister again, and plead with him as I did with the Solicitor General when this whole matter came before the House, to set up an inquiry to give the House and the people of Canada an opportunity, since they are as much concerned with the security of this country as is the Prime Minister, to hear all that I know and all that these people connected with this affair know. Would he set up such a tribunal so that those involved in this matter can be vindicated?

Mr. Speaker: That clearly is a representation, not a question.

Oral Questions

RESOURCES

AGREEMENT WITH MARITIME PROVINCES ON ADMINISTRATION OF OFF-SHORE RESOURCES—IMPOSITION OF TAXES ON PERMIT HOLDERS

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. An agreement was entered into yesterday between Canada and the three maritime provinces with regard to offshore minerals. This agreement leaves the Government of Canada in control of the administration of offshore minerals. Would the minister tell me whether it is the case that the three maritime provinces which have entered into that agreement are not to be permitted to impose any taxes on income, or any revenue taxation, but simply receive their share of the royalties? In addition, they are not allowed to impose any provincial corporation tax or other tax on income upon the permit holders in the areas in question. Is it also the case that any revenues that they receive are to be included in the equalization formula and be adopted under that formula?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, we are getting into a very complicated area when we start to talk about equalization formulas and revenue sharing of royalties from offshore resources. I think the hon. member knows that, after very considerable negotiation, agreement was reached with the provinces respecting the sharing of the royalty revenues from offshore resources, 75 per cent going to the provinces and 25 per cent to the federal government.

Mr. Crosbie: Mr. Speaker, I addressed my question to income and to whether or not those provinces are forbidden to impose any provincial corporation tax or income taxes upon the permit holders in their offshore areas. In other words, their only source of revenue would be to share in the royalties and fees: they are not permitted to tax the permit holders. That is a very simple question and I would ask the hon. gentleman to answer it.

Mr. Gillespie: Mr. Speaker, again we are getting into the whole area of taxation with respect to the application of corporate taxes and equalization formulas. I am not prepared to give the hon. gentleman these specific undertakings for which he is looking, but I will be very pleased to refer this matter to my colleague the Minister of Finance.

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NATIONAL ENERGY BOARD

POSSIBILITY OF GIVING BOARD JURISDICTION OVER EXPORT OF COAL

Mr. Alan Martin (Scarborough West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the importance of safeguarding Canada's natural resources for future Canadian needs, has the minister considered bringing under the aegis of the National Energy Board control over the export of Canadian coal?

[Mr. Speaker.]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, from time to time I have given this matter some consideration. At the present time, as the hon. member knows, the National Energy Board does not have jurisdiction over our coal resources, and in order for it to do so an amendment to the National Energy Board Act would be necessary. I believe that we are well covered at the present time in the event of any emergency through the application of the Export and Import Permits Act.

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REGIONAL ECONOMIC EXPANSION

INCREASED RATES FOR COMMUNITY PASTURES—GOVERNMENT ACTION

Mr. Craig Stewart (Marquette): Mr. Speaker, I should like to direct my question to the Minister of Regional Economic Expansion who is responsible for PFRA. Recently it was announced that under PFRA there would be a 50 per cent increase in 1977 pasture rates at community pastures in western Canada. Because of the fact that we have a depressed cattle market value for beef producers and also increased production costs, would the minister reconsider these drastic fee increases and leave the rates the same as the 1976 schedule?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, unfortunately, we had to accept the fact that we should increase the pasture rates in the community pastures under our jurisdiction in the prairies. But such an increase will not even cover the increased operation costs we have to face. Under the agreement that we concluded with the provinces several years ago, we must recover the costs we have incurred in the operation and maintenance of those community pastures, but not capitalization. Over the last two years, we came up with a deficit and we will still be in the red at the beginning of the next year. This is why we definitely had to increase those rates but the increase is below 50 per cent.

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[*English*]

CONSUMER AFFAIRS

EFFECT OF INCREASED RATES FOR COMMUNITY PASTURES ON PRICES OF AGRICULTURAL PRODUCTS—REQUEST FOR INVESTIGATION

Mr. Craig Stewart (Marquette): A supplementary question, Mr. Speaker. I am surprised at the minister's answer. However, I will direct my supplementary to the Minister of Consumer and Corporate Affairs. As this government department does not want to adhere to AIB guidelines and this 50 per cent increase in pasture fees will only mean in the long term increased prices, will the minister have his department investigate these new fees and protect both the producer and consumer from this greedy government department?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will certainly examine the hon. member's question and look into the situation.

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MULTICULTURALISM

ALLEGEDLY OFFENSIVE ARTICLE IN "CANADIAN MAGAZINE"—GOVERNMENT ACTION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like to direct my question to the minister responsible for multiculturalism. On January 1, 1977 the *Canadian Magazine*, purportedly the magazine with the largest circulation in the country, contained an article entitled "Saskatchewan Crude" which resulted in the publication of old prejudices against Ukrainian Canadians under the guise of humour. Since the Saskatchewan Human Rights Commission has seen fit to criticize strongly publication of this article, could the minister indicate whether a branch of his department, the Canadian Consultative Council, is in a position, under the present legislation, and in view of his statement that the branch would be involved in communicating understanding, to counteract the incorrect impression left by this article, which was in questionable taste and so offensive to so many people in our country?

● (1440)

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. The Canadian Council on Multiculturalism for the three prairie provinces and British Columbia met this past weekend in Edmonton and this matter came up. I can report to the House that the opinion of the council was that although many of the ethno-cultural groups represented are quite prepared to receive humorous puns with respect to traditions and so on and not be ultra sensitive about them, it was the general feeling of everyone there, including myself, that this transgressed any limits of humour. It was not humour at all; it was crude and stupid. We felt we should indicate that to the publication involved and see if they would be prepared to make amends for disseminating old prejudicial words which are insulting to the ethnic groups in Canada, in this case particularly Ukrainians.

Some hon. Members: Hear, hear!

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AIRPORTS

GANDER—CONSTRUCTION OF FACILITIES FOR IN-TRANSIT PASSENGERS ON INTERNATIONAL FLIGHTS—REQUEST FOR PROGRESS REPORT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question affects the Minister of National Revenue, the Minister of Manpower and Immigration but primarily the Minister of Transport. On November 8, I asked him about the restrictions imposed on in-transit passengers at Gander airport because of the customs regulations and immigration regulations. At that time he informed me that short-range steps were being taken. These have now resulted in a sort of holding pen almost like slave quarters, which do not answer passenger needs as it is without restaurant or toilet facilities. Can the minister tell the House what permanent and acceptable facilities will be constructed at Gander airport for in-transit passengers on international runs?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the hon. member for Gander-Twillingate informed me earlier today about the concern of people in his area with regard to this matter. I have been able to check the current status which is that the temporary facilities are moving ahead, and so are plans for the more permanent facilities which will be satisfactory. Everyone recognizes that temporary facilities by definition cannot be fully satisfactory. I understand the region has developed a plan which will likely meet its needs and I will be asking that the plan be brought forward as soon as possible so that we can act upon it.

Mr. Lambert (Edmonton West): May I ask the minister to put a time frame on this? This is important in the context that the public should not have to continue with substandard facilities which will result in a loss of transit traffic through that airport.

Mr. Lang: I can put the time frame this way, Mr. Speaker—as soon as possible. I include the kind of consultations that were very desirable which have taken place between my regional officials and the people involved in the area in order to have agreement about the kind of facilities required. I will immediately have a chance to look at these proposals and I shall try to move them forward as fast as possible. Obviously, until I have seen the proposal I cannot predict the exact length of time required.

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ATOMIC ENERGY OF CANADA LIMITED

EFFORTS TO SECURE NAME OF AGENT USED BY ITALIMPIANTI IN SALE OF REACTOR TO ARGENTINA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I put a question to the Minister of Energy, Mines and Resources? Last night Mr. Gray, former president of AECL told the Canadian people on national television that he had no knowledge of who was the recipient of $2½ million paid to an agent in connection with the sale of a reactor to Argentina. In view of the fact that only two persons can divulge this information, namely, Mr. Sicouri, president of Italimpianti, and the head of the Swiss bank which handled the transaction, is the minister prepared on behalf of the government to contact both these gentlemen? The Swiss banker, by the way, is reported to have said he is prepared to divulge the information if requested to do so by the Canadian authorities. Will the minister undertake to make these contacts

and ask for the name of the recipient of the $2½ million paid by AECL?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I have made it very clear that we have gone directly to the partner of AECL, the partner with which AECL made arrangements for the payment of an agent. I believe that their banker or someone on their behalf has supplied additional information to the committee. I very much regret it has not been possible to get that information from the Italimpianti partner. I have received no information from the RCMP or my colleague to whom the RCMP report that there has been anything improper as far as any Canadian is concerned. I believe I have done everything I can to get to the bottom of this.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

SUGGESTION CANADA WITHDRAW FROM SALE OF REACTOR TO ARGENTINA IF ITALIMPIANTI REFUSES TO DIVULGE NAME OF AGENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, apparently the minister has done everything except ask the head of the Swiss bank to come through on his undertaking that he will provide the name if Canadian authorities request it. The minister has apparently not requested it. In view of the fact that Mr. Sicouri in his letter of December 17, 1976 hinted that any further pressures to divulge the name of the recipient might jeopardize agreement for the construction of the nuclear reactor in Argentina, may I ask the minister, if that agreement has not been signed, is the government prepared to make the condition that their partner, Italimpianti, divulge the name otherwise Canada will withdraw from the deal? If we do that it will save this country an additional $25 million.

Some hon. Members: Hear, hear!

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I should like to make two points, Mr. Speaker. It has been brought to my attention that the chairman of the Public Accounts Committee—which is properly dealing with this matter—has written to the bank referred to by the hon. member, seeking that information. I believe that the Public Accounts Committee, having taken that step in their wisdom, should be supported.

An hon. Member: Support them.

Mr. Gillespie: That clearly is the responsibility and decision of the Public Accounts Committee itself. Let us deal with the second part of the hon. member's question. He asks if I could impose some kind of condition with respect to this contract with the Argentinians. I wonder if he realizes that at this time, after lengthy negotiations—indeed a series of renegotiations—we would be putting at risk in terms of over-all responsibility, jointly and severally, something in the order of $400 million. We could be sued by the customer in Argentina for something like $400 million for non-performance. We would be putting at risk as well many thousands of Canadian jobs. Is that what the hon. member wants?

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

Mr. Douglas (Nanaimo-Cowichan-The Islands): The minister has not answered the question, Mr. Speaker.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): Has the agreement with the government of Argentina been signed? If it has not been signed then there is no risk. If the minister thinks, in order to create jobs and make CANDU reactors, we ought to lose $25 million, it seems to me we could spend that money making things in Canada which we could make without having to incur financial loss. Has an agreement been signed and, if not, why is the minister not prepared to tell Italimpianti we will only proceed with them if they divulge the name which ought to have been divulged in the first place and which the minister ought to have asked for two months ago?

Mr. Gillespie: Mr. Speaker, I have been informed that our Italian partner signed and we have signed. I have also been informed that the Argentinian agency has given its approval. That approval has not been formally transmitted to us. I believe there are one or two technical details with respect to some financing questions, but I believe that these can be sorted out and that the deal will stand with the Argentinians.

SUGGESTED SUPPORT OF REQUEST THAT SWISS BANKER NAME AGENT OF ITALIMPIANTI—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question to the Minister of Energy, Mines and Resources is a supplementary. In an earlier answer the minister indicated he felt that we would agree, and we do agree, that the request of the Public Accounts Committee to the Swiss banker ought to be supported by the government. If that is the case, and I believe it is, would the minister communicate with officers of that institution indicating the support he has just expressed for the request by the chairman of the Public Accounts Committee for the information? Would he also indicate that he feels it would be in the best interests of Canada, and the completion of this matter, if the Swiss banker lived up to the undertaking and that such action would have the complete support of the Canadian government?

● (1450)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I am sure that the chairman of the Public Accounts Committee listened very carefully to the answer I gave a few moments ago. I would expect that being the sort of person he is—

Some hon. Members: Oh, come on.

Mr. Gillespie: —he would not lose any time in sending a copy of today's *Hansard* as a follow-up to the letter that he has already written.

[*Later:*]

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I have a supplementary question to the Minister of Energy, Mines and Resources. I would ask the minister to stop clowning around on this question—

Some hon. Members: Hear, hear!

Mr. Clark: —and to tell the House whether he will accept his responsibility and communicate directly, as the responsible minister of the government of Canada, with the Swiss bank involved to indicate that it is an official request of the government of Canada in support of the Public Accounts Committee of this House to have that information which this House requires and which the government, if it has any self-esteem, requires.

Some hon. Members: Hear, hear!

Mr. Gillespie: Mr. Speaker, I can only wonder at the intelligence of the Leader of the Opposition when he puts a question of that kind to me. If he were really serious about having me support, as I have tried to do in the House—

Some hon. Members: Oh, oh!

Mr. Gillespie: —the Public Accounts Committee, he would not put a question like that to me because he must realize that the Canadian government would frown and would not in any way want to put a Canadian in a similar position vis-à-vis a foreign government, and that is what he is asking me to do right now.

Some hon. Members: Hear, hear!

Mr. Clark: You cannot have it both ways.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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SEARCH AND RESCUE

ALLEGATION A PORTION OF ALLOTTED FUNDS USED FOR NEW OFFICE FACILITIES—GOVERNMENT POSITION

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Transport. The government of Canada recently announced an additional $40 million to be allocated for increased search and rescue facilities in Canada for the period 1977-78. Doctor Robert Sommerville, a coast-guard voluntary rescue agent from Campbell River, B.C., stated in a press release of January 1, 1977:

> The first $1 million of the $40 million allocated for search and rescue has gone to a new office, a sauna and a gymnasium in Ottawa.

Will the minister advise the House whether these allegations are correct and if in fact any of these funds have been allocated to Ottawa for recreational purposes?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the allegations are totally incorrect. No money has been identified in the new money for any accommodation in connection with search and rescue offices, and at no time has there been any mention of such things as a sauna and a gymnasium. I hope that in the future such people will obtain facts instead of making these accusations.

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ADMINISTRATION OF JUSTICE

POSSIBILITY OF CHARGES AGAINST ATOMIC ENERGY OF CANADA FOR FAILURE TO KEEP MINUTES OF DIRECTORS' MEETINGS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of Justice. Last Friday, in answer to my question, the Acting Prime Minister said he thought the Minister of Justice might have some information on the matter of charges under the Canada Corporations Act against executives of AECL for failure to keep proper minutes of proceedings of directors' meetings and that the government would inquire and advise. Can the Minister of Justice say whether, in view of the fact that the evidence given to the Public Accounts Committee indicates that the former president, J. Lorne Gray, acted in an autocratic fashion, committing the company to contracts on his own and seeking board approval months later, and that the minutes frequently contained no reference to large contracts, such as the partnership with Italimpianti entered into by the corporation, and generally failed to record the decisions of the board, what charges has the government decided will be laid in these instances?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, as the result of the hon. member's question, I reviewed the matter with my colleague, the Minister of Consumer and Corporate Affairs who is prepared to answer it.

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Corporations Act calls for a number of obligations and at this point the questions raised in the House may not have had any direct allegations that the minutes have not been kept. But I can only suggest that if charges should be laid, that they be laid in the proper fashion because the Corporations Act is not enforced by the department in this area.

Oral Questions

ENERGY

KITIMAT PIPELINE—CONSIDERATION BY ENERGY BOARD OF MARINE ENVIRONMENTAL PROTECTION COSTS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. On Monday, my colleague, the hon. member for Nanaimo-Cowichan-The Islands, asked questions about the Kitimat pipeline. Can the minister advise the House whether the National Energy Board, before it makes a decision on this particular application, will have in front of it the costs of marine environmental protection so that those costs may be part of what is computed in the decision of the National Energy Board as to whether the pipeline is of benefit to Canada and in the public interest?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot give a specific answer to an environmental question, but if the question were to be directed to the Minister of the Environment, he might be able to provide this information. From the point of view of the National Energy Board, they would like to receive as much environmental input as possible, but their concern, as the hon. member must know, deals with the landward side of the application, not the seaward side. That is why this interdepartmental task force was created to deal with the pollution dangers, etc., that might be associated with this application.

Mr. Fraser: Can the minister then advise the House how the National Energy Board can make the decision which it has to make under the statute if it does not have before it, not only the environmental consideration but the cost to the Canadian public of maintaining environmental protection of British Columbia's west coast?

Mr. Gillespie: The information will undoubtedly be made available to NEB but whether the NEB will want to take that fully into consideration is something of which I cannot be sure. I can assure the hon. member that the government will be concerned. It will receive the report of the NEB and a report of this particular task force. So the answer is, one way or another, that the information will be taken into account.

* * *

GRAIN

WHEAT—REASON FOR LOW PRICE ON SALE TO CHINA

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister in charge of the Canadian Wheat Board. According to recent news reports, the Canadian Wheat Board has sold some 56 million bushels of wheat to China for approximately $170 million. A quick calculation shows that it was sold for about $3.04 per bushel at a time when the Canadian Wheat Board quotations on the Vancouver market range from approximately $3.57 for No.1 to $2.99 for No.3. Can the minister indicate why the sale was for considerably less than the Vancouver wheat board asking price, and can he assure the producer that he will realize not less than the initial price on the sale?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the pricing of wheat in such a contract is a matter for the Canadian Wheat Board. While estimates are given in rounded figures and these calculations are often used in the press, these are not meant to be accurate descriptions of the price. The Canadian Wheat Board ordinarily takes the position that it does not give this information because of its commercial significance and its position with regard to other buyers as well as to its competitors in the world. I could determine whether that remains the Canadian Wheat Board position in order to satisfy the hon. member, but I am quite sure it would be so.

Mr. Neil: Could the minister advise us whether or not the figure of $170 million is the figure released by the Wheat Board or a guesstimate by the media?

Mr. Lang: In terms of the normal practice it is the latter, but I will check that.

* * *

● (1500)

CONFLICT OF INTEREST

SUGGESTION PRIME MINISTER FOLLOW EXAMPLE OF PRESIDENT CARTER IN SETTING GUIDELINES FOR DISCLOSURE OF ASSETS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Prime Minister, and it involves the general area of conflict of interest. Considering the strict rules made public by the Davis government of the province of Ontario and the Lévesque government of the province of Quebec regarding conflict of interest both for the premiers involved and their ministers, and considering the example set by President Carter for the people of the United States by making a complete and open declaration of his own affairs and insisting that his ministers do the same thing, will the Prime Minister set the same example for the Canadian people as Mr. Carter has set for the American people by making a complete declaration of his own affairs and insisting that his ministers make the same disclosures as are required of cabinet officers in the United States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as a government we do have to bring in the bill on this whole matter. The bill will be the result of the conflict of interest guidelines which the government referred a couple of years ago to both houses of parliament, which was commented on by them, and which we are now incorporating into a bill. I just remind the hon. member that the Senate and the House of Commons themselves were not pressing the government in the direction which the hon. members says President Carter and other people have gone.

Mr. Grafftey: Is it the view of the Prime Minister that it requires a bill for him simply to make the same declaration

Mr. Carter made and to insist that his cabinet do the very same thing? Does he feel that in view of the example set by the Lévesque and Davis governments and Mr. Carter without bills, blind trusts and frozen trusts are satisfactory procedures in this regard?

Mr. Trudeau: I find the argument passing strange because when we made our statements on conflict of interest a couple of years ago, this very opposition pooh-poohed them saying that they were just guidelines of the government and why did the government not bring in a bill; that is what we are attempting to do now.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

TABLING OF DOCUMENTS BY MINISTER OF FINANCE RESPECTING ECONOMIC OUTLOOK

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would like to table documents in relation to my remarks at the federal-provincial meeting on decontrol and post-control and a summary of the economic and fiscal outlook.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 858, 860, 861, 864, 868, 869, 870, 889, 970, 1,160, 1,196, 1,235, 1,236, 1,237 and 1,296.

[*Text*]

VETERANS AFFAIRS—USE OF SPACE AFTER RELOCATION

Question No. 858—**Mr. Herbert:**

Does the Department of Veterans Affairs intend to utilize the space vacated by the Canadian Pension Commission, the Pension Review Board, the War Veterans Allowance Board and the Bureau of Pension Advocates as well as veterans services, treatment services and administration services after their relocation to Charlottetown, Prince Edward Island and, if so, in what manner?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Utilization of space vacated by the Department of Veterans Affairs through relocation to Charlottetown, P.E.I. will be a Department of Public Works responsibility and would be included in that Department's space utilization program for 1980-81. The Department of Veterans Affairs will continue to utilize some space in Ottawa for the office of the Deputy Minister, a small nucleus of staff, and for the Veterans Land

Administration program which is not part of the relocation planning.

VETERANS AFFAIRS—POSITIONS DESIGNATED BILINGUAL

Question No. 860—**Mr. Herbert:**

In the Canadian Pension Commission, the Pension Review Board, the War Veterans Allowance Board and the Bureau of Pension Advocates as well as veterans services, treatment services and administration services of the Department of Veterans Affairs, how many positions are designated bilingual?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Canadian Pension Commission, 128; Pension Review Board, 11; War Veterans Allowance Board, 29; Bureau of Pensions Advocates, 26; Veterans Services, 181; Treatment Services, 777; Administrative Services, 178.

VETERANS AFFAIRS—CONSULTATION WITH EMPLOYEES AFFECTED BY RELOCATION

Question No. 861—**Mr. Herbert:**

Did the Department of Veterans Affairs question any employees who will be affected by the relocation to Charlottetown, Prince Edward Island as to whether they wish to be relocated and, if so, with what results?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): No. Employees of the Department of Veterans Affairs will be questioned as to whether they wish to be relocated to Charlottetown, P.E.I. when they can be provided with full information on any revised Relocation Guidelines which may result from current study by the National Joint Council.

INFORMATION ON PRINCE EDWARD ISLAND AND CHARLOTTETOWN

Question No. 864—**Mr. Herbert:**

1. What is the current population of (a) Prince Edward Island (b) Charlottetown?

2. In each case, how many persons list French as (a) their mother tongue (b) the language of the household?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports: 1. The preliminary population[1] according to the 1976 Census for: (a) Prince Edward Island is 116,251; (b) Charlottetown, 16,908[2].

2. (I) In 1976 only the question on mother tongue was asked, but the information will not be available before the last quarter of 1977. (II) However, according to the 1971 Census for: (a) Prince Edward Island: (i) 7,365 reported French as their mother tongue. (ii) 4,405 reported French as the language most often spoken at home. (b) Charlottetown: (i) 370 reported French as their mother tongue (ii) 60 reported French as the language most often spoken at home.

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[1] Preliminary population counts are subject to revision. For example, they exclude people enumerated at a temporary address (hotels, general hospitals, construction camps, etc.) and people who temporarily live outside of Canada. These

people will be added later to the population counts of their usual place of residence. In most cases, however, the figures shown here are very close to the final population counts.

[2] Revised preliminary population figure.

VETERANS AFFAIRS—VETERANS PREFERENCE FOR NEW EMPLOYEES

Question No. 868—**Mr. Herbert:**

1. Will there be hiring of new employees with the Department of Veterans Affairs move to Charlottetown, Prince Edward Island and, if so, will preference be given to veterans?

2. Will it be necessary for these veterans to be residents of Prince Edward Island?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Yes, there will be hiring of new employees. The Veterans' Preference will apply as prescribed in the Public Service Employment Act.

2. The Public Service Employment Regulations give preference to residents of a locality when the positions to be filled are either in the Administrative Support or Operational Category. For the other occupational groups, the department will determine which geographic limitation will apply for recruiting purposes, taking into account the requirements of the Public Service Employment Act and Regulations and the labour market conditions. The Veterans' Preference would apply to all qualified candidates regardless of place of residence.

VETERANS AFFAIRS—FINANCIAL ASSISTANCE TO EMPLOYEES WHO OWN HOMES

Question No. 869—**Mr. Herbert:**

What financial assistance will the Department of Veterans Affairs offer to employees who (a) have unexpired leases (b) own homes in the National Capital Region and are to be transferred to Charlottetown, Prince Edward Island?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Treasury Board Relocation Directive, Part 4, describes the financial assistance related to the disposal and/or acquisition of accommodation by federal employees who relocate. This Directive deals with disposal of both leased and owned accommodation. Any relocation of staff will take place some years hence by which time the current Directive could be changed.

VETERANS AFFAIRS—ASSISTANCE TO UNILINGUAL FRENCH EMPLOYEES AFTER RELOCATION

Question No. 870—**Mr. Herbert:**

What plans have been made by the Department of Veterans Affairs to assist the unilingual French-speaking employees of the Canadian Pension Commission, the Pension Review Board, the War Veterans Allowance and the Bureau of Pension Advocates as well as veterans services, treatment services and administration services of the Department who will be relocated to Charlottetown, Prince Edward Island?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Since the analysis of the implications of the relocation on DVA personnel is not completed, and moreover, since no employee assistance policy has been adopted, we are not in a position to answer this question at the moment.

VETERANS AFFAIRS—FRENCH LANGUAGE SCHOOLS IN PRINCE EDWARD ISLAND

Question No. 889—**Mr. Herbert:**

1. Has the government assured itself that there will be sufficient openings in the public school system in Charlottetown, Prince Edward Island for the children of public servants employed by the Canadian Pension Commission, the Pension Review Board, the War Veterans Allowance Board and the Bureau of Pension Advocates as well as veterans services, treatment services and administration services of the Department of Veterans Affairs who are to be relocated and who wish to continue their education in the French language?

2. Will such facilities in the French language be available for all high school grades?

3. What distance will the students be required to travel when entering a French language university?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1, 2 and 3. The requirement for education facilities in the French language for the staff who will be employed by the Department of Veterans Affairs in Charlottetown, P.E.I. in 1981 cannot yet be determined. Identification of any such need can only be made when employees are in a position to indicate their wishes concerning relocation. Their wishes will be obtained only when they can be advised of the provisions of the revised Relocation Guidelines currently under study by the National Joint Council.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—EMPLOYEES HIRED FROM MANPOWER JOB CREATION BRANCH

Question No. 970—**Mr. Smith:**

1. How many persons have been hired by the Department of Indian Affairs and Northern Development from the Manpower Job Creation Branch since January 1976 and, in each case, what are their (a) positions and qualifications (b) salaries?

2. Has the Department given support to individual members or groups known to be affiliated with the American Indian Movement and, if so, is this done in conjunction with or on specific instructions from provincial/territorial Indian organizations and/or chief of bands?

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Seven.

Seven

(a)		(b)
1 Assistant Deputy Minister	SX-3	$35,500—$47,500
1 Director, Management Review and Development Group	PM-7	$26,400—$33,000
1 Director, Program Evaluation Division	ES-4	$31,299—$34,691
1 Policy Analyst	AS-5 (Part-time term)	$19,542—$22,168
2 Research Associates	PM-3 (term)	$15,459—$17,523
1 Project Officer	PM-3 (term)	$15,459—$17,523

These employees were hired in accordance with Public Service Commission Selection Standards.

2. The Department has not given support to individual members or groups known to be affiliated with the American Indian Movement.

BOOKSTORE CONCESSION—MIRABEL

Question No. 1,160—Mr. MacKay:

1. Were tenders called for the bookstore concession at Mirabel Airport and, if so (a) which companies tendered and what was the bid in each case (b) which bid was accepted by the Department of Transport?

2. Were there any conditional clauses attached to the winning tender and, if so, what was their substance?

3. Have there been any revisions in the lease arrangements between the company with the winning tender and the Department and, if so, what are the details?

4. What has been the monthly gross revenue of the bookstore concession since it first became operational up to October, 1976?

Hon. Otto E. Lang (Minister of Transport): 1. Tenders were called for the bookstore concession at Mirabel.

(a)

Name of Tenderer	Amount Bid
Coles Book Stores Limited	10 per cent of annual gross sales or Minimum annual guarantee of: First year $50,000 Second year $55,000 Third year $60,000 Fourth year $66,000 Fifth year $73,000
Les Entreprises Cara (Quebec) Ltee	13.1 per cent of annual gross revenue up to $350,000 14.1 per cent on the next $100,000 15.1 per cent on the next $100,000 16.1 per cent on the next $50,000 17.1 per cent on gross revenue exceeding $600,000 or Minimum annual guarantee of: First year $37,000 Second year $48,000 Third year $59,000 Fourth year $72,000 Fifth year $87,000
W. H. Smith & Son (Canada) Limited	14.2 per cent of annual gross revenue up to $500,000 18.0 per cent of annual gross revenue exceeding $500,000 or Minimum annual guarantee of: First year $40,000 Second year $40,000 Third year $45,000 Fourth year $50,000 Fifth year $60,000
Librairie Garneau Limitee Limitee	7 per cent of annual gross revenue provided that the revenue exceeds $528,000 or Minimum annual guarantee of: First year $36,960 Second year $36,960 Third year $36,960 Fourth year $36,960 Fifth year $36,960
Librairie du Scorpion Incorporee	7 per cent of annual gross revenue of the Incorporee sale of books and 3.5 per cent of annual gross revenue on the sale of magazines/periodicals or Minimum annual guarantee of: First year $28,800 Second year $32,400 Third year $32,400 Fourth year $36,000 Fifth year $36,000
Librairie Classic Book Shops	13 per cent of annual gross revenue up to $1,000,000 14.5 per cent of revenue on the next $400,000 16.125 per cent of revenue in excess of $1,400,000 or Minimum annual guarantee of: First year $20,000 Second year $25,000 Third year $30,000 Fourth year $36,000 Fifth year $50,000

(b) Coles Book Stores Limited were awarded the tender, the operation commencing on December 1, 1975.

2. There were no conditional clauses attached to the winning tender.

3. By mutual agreement between Transport Canada and the successful tenderer, the storage space was reduced from 270 square feet to 100 square feet. This action had no bearing on the revenues to Transport Canada. No other revisions in the lease arrangements took place.

4. Monthly gross revenues from December 1, 1975 to October 31, 1976 are as follows: December, 1975, $26,300; January, 1976, $22,500; February, 1976, $21,000; March, 1976, $23,500; April, 1976, $22,000; May, 1976, $24,700; June, 1976, $23,500; July, 1976, $29,900; August, 1976, $33,200; September, 1976, $26,300; October, 1976, $22,100.

Order Paper Questions

GRANTS AND CONTRIBUTIONS MADE UNDER THE NON-MEDICAL USE OF DRUGS PROGRAMME

Question No. 1,196—**Mr. Stanfield:**

By province, what was the total amount of grants or contributions made to groups, projects, agencies or individuals, under the Non-Medical Use of Drugs Directorate, Department of National Health and Welfare for (a) 1971 (b) 1972 (c) 1973 (d) 1974 to support (i) information/education projects (ii) innovation projects (iii) research sociological and biomedical studies dealing with the non-medical use of drugs?

Hon. Marc Lalonde (Minister of National Health and Welfare): (a), (b), (c), (d) (i) (ii) and (iii): see following statements.

(i) and (ii) Alcohol/Tobacco/Drug Resources Fund*

	(a) 1971-72	(b) 1972-73	(c) 1973-74	(d) 1974-75
Newfoundland	0	46,365.00	76,024.00	49,465.00
Prince Edward Island	32,410.00	53,445.00	50,398.00	39,765.00
Nova Scotia	66,253.17	272,095.00	266,255.00	311,730.00
New Brunswick	75,205.46	181,917.00	137,114.00	545,737.97
Quebec	558,577.43	1,240,374.00	1,062,879.00	1,165,022.00
Ontario	215,121.62	611,760.00	764,469.00	504,170.00
Manitoba	42,296.54	215,630.00	231,499.00	292,008.00
Saskatchewan	68,862.30	267,121.00	242,092.00	249,173.00
Alberta	11,404.60	151,367.00	457,045.00	320,971.00
British Columbia	213,306.15	624,482.00	403,553.00	334,183.00
Northwest Territories	0	0	12,375.00	58,500.00
National Org. HQ in Ontario	0	0	0	267,885.00
Total	$1,283,437.27	$3,664,556.00	$3,703,703.00	$4,138,609.97

* Formerly Innovative Services—also includes education/information projects; there are no separate contributions.

(iii) Research Studies

	(a) 1971-72	(b) 1972-73	(c) 1973-74	(d) 1974-75
Newfoundland	0	0	11,350.00	0
Prince Edward Island	0	2,950.00	0	0
Nova Scotia	0	3,648.00	0	5,531.00
New Brunswick	1,500.00	0	17,306.00	0
Quebec	96,800.00	104,769.00	178,722.00	291,801.00
Ontario	39,982.00	96,621.00	360,020.00	656,740.00
Manitoba	800.00	8,770.00	5,900.00	51,043.00
Saskatchewan	0	28,288.00	26,364.00	66,502.00
Alberta	57,150.00	59,212.00	30,885.00	70,928.00
British Columbia	33,500.00	47,360.00	77,800.00	237,871.00
Total	$229,732.00	$351,618.00	$708,347.00	$1,380,416.00

PAYMENTS TO QUEBEC UNDER THE ESTABLISHED PROGRAMMES (INTERIM ARRANGEMENTS) ACT

Question No. 1,235—**Mr. Herbert:**

Was payment made to Quebec for all or part of the total of $250,212,000 shown in Supplementary Estimates (B) as provided under the Established Programmes (Interim Arrangements) Act and the Federal-Provincial Fiscal Revision Act, 1964 and, if so, on what date?

[Mr. Lang.]

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): The amount of $250,212,000 for the statutory item—Established Programmes (Interim Arrangements) Act and the Federal-Provincial Fiscal Revision Act, 1964, consists of $213,407,000 included in the Main Estimates and $36,805,000 which is the latest estimate of the additional amount required under the provisions of these acts. Payments to Quebec under this program are made in 12 approximately equal monthly instalments, with each instalment being paid on

the last calendar day of the month. To date, during 1976-77, nine such monthly payments have been made.

PAYMENTS UNDER THE FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

Question No. 1,236—**Mr. Herbert:**

Were payments made in the past year under the Federal-Provincial Fiscal Arrangements Act and, if so, by province, on what dates?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Payments are made under the Federal-Provincial Fiscal Arrangements Act in respect of several activities. During fiscal 1976-77 payments have been made to the provinces in respect of these activities on the dates shown below:

Activity	Date of Payment	Province
Revenue Equalization Payments	Two payments each month—on the first and third working day following the fifteenth calendar day of the month.	All provinces except Ontario, Alberta and British Columbia
Tax Collection Payments	Four payments each month—on the sixth working day of the month and on the first, second and fourth working day following the fifteenth calendar day of the month.	All provinces except Quebec
Revenue Guarantee Payments	Variable—in fiscal 1976-77 on May 12, 1976 and December 29, 1976.	All provinces
Payments in respect of Provincial share of Federal Tax on 1971 Undistributed Income	One payment per year which is variable by month—in 1976-77 in August of 1976.	All provinces
Post-Secondary Adjustment Payments	Twelve payments each year on the third Thursday of each month.	All provinces

CONSIDERATION OF PAYMENTS TO PROVINCIAL GOVERNMENTS IN THE PREPARATION OF MAIN ESTIMATES

Question No. 1,237—**Mr. Herbert:**

Were payments to provincial governments, which are indicated on page 36 of Supplementary Estimates (B) in an amount of $72,329,000 considered in the preparation and presentation of the Main Estimates and, if not, by province, for what reason?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): The additional amount of $72,329,000 is required for statutory payments under the various activities listed on page 36 of the Supplementary Estimates (B). The legislation and regulations providing for these payments indicate in considerable detail the information to be used and the procedure to be followed in calculating the payments. The Main Estimates provisions were calculated, in accordance with the legislation, using the most up-to-date information then available. Since that time some of the information has been revised, in particular the revenues of the provincial and federal governments, thereby necessitating a revision in the amount of the statutory payments.

POST OFFICE CALENDARS

Question No. 1,296—**Mr. Crouse:**

1. Did the Postmaster General have 1977 calendars printed and distributed compliments of the Post Office of Canada and, if so, how many?

2. What was the cost of the calendars?

3. Were the recipients classified in any special way prior to dispatch of the calendars?

4. What is the approximate number of recipients?

Hon. J.-J. Blais (Postmaster General): 1. Yes, 800,000. It has been established that the production of the annual Post Office calendar is the least expensive way of providing essential mailing information to the general public.

2. Just under $117,000.

3. The calendars are being made available to the general public at post office counters where counter cards encourage people to ask for your copy here. A small number of recipients such as Members of Parliament, Senators, and large volume mailers receive calendars through the mail.

4. It is anticipated that all 800,000 calendars will be distributed or picked up.

[*English*]

Mr. Goodale: Mr. Speaker, I ask that the remaining questions be allowed to stand.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 856 could be made an order for return, this return would be tabled immediately.

[*Text*]

VETERANS AFFAIRS—NUMBER OF BILINGUAL AND UNILINGUAL EMPLOYEES

Question No. 856—**Mr. Herbert:**

For each of the past ten years, in the Department of Veterans Affairs and for each level or category for which statistics are available, how many public servants were (a) unilingual English (b) bilingual with (i) English (ii) French (iii) another language as mother tongue (c) unilingual French?

Return tabled.

Employment and Immigration

[*English*]

MOTION FOR PAPERS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 37 is acceptable to the government.

[*Text*]

COPIES OF MEMORANDA ISSUED BY CHIEF STATISTICIAN OF CANADA DEALING WITH PUBLIC SERVANTS CONFLICT OF INTEREST GUIDELINES

Motion No. 37—**Mr. MacKay:**

That an Order of the House do issue for copies of all memoranda issued by the Chief Statistician of Canada or other officials of Statistics Canada, dealing with the implementation of the Public Servants Conflict of Interest Guidelines (Canada Gazette, January 9, 1974).

[*English*]

Mr. Speaker: Shall the motion stand?

Some hon. Members: Agreed.

Mr. Speaker: The motion stands.

Mr. Goodale: I ask, Mr. Speaker, that the remaining notices of motions for the production of papers be allowed to stand.

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT AND IMMIGRATION REORGANIZATION ACT

MEASURE TO ESTABLISH DEPARTMENT OF EMPLOYMENT AND IMMIGRATION, ETC.

The House resumed from Tuesday, February 1, consideration of the motion of Mr. Cullen that Bill C-27, to establish the Department of Employment and Immigration, the Canada Employment and Immigration Commission and the Canada Employment and Immigration Advisory Council, to amend the Unemployment Insurance Act, 1971 and to amend certain other statutes in consequence thereof, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when I began my speech yesterday I put on the record the fact that unemployment in December, 1976, jumped to 7.5 per cent. The number of unemployed was 754,000, up from 693,000 the year before. I also put on the record some provincial unemployment figures for December of 1976. I do not want to repeat those figures, but I was in the middle of saying—and I will complete the sentence—that the unemployment figure in British Columbia for December of 1976 was 92,000, an increase from the figure of 82,000 in December of 1975.

There was a sharp increase in the jobless rate for young workers in the 15 to 24 year age group. In that group 14 per cent of the eligible workers were out of work in December, and as my colleague, the hon. member for Nickel Belt (Mr. Rodriguez), has already indicated, this is the group which will be most adversely affected by the decision incorporated in this bill to increase the number of weeks during which a person has to work before qualifying for unemployment insurance, from eight weeks to twelve weeks.

The minister and some hon. members of the official opposition implied that there are jobs for many of the unemployed, both those who have been counted and the thousands who have not been counted. We know from the questions which were asked about a week ago by members of the New Democratic Party and by members of the Conservative party from the maritime provinces that the figures which I have quoted are not the real unemployment figures. Those figures do not take into account thousands of people, especially in slow growth areas like the Atlantic provinces and like the interlake area of Manitoba, where the rate is probably twice as high as the official rate because so many people have simply given up hope of finding work even if they look for it. I think it was the hon. member for St. John's East (Mr. McGrath) who estimated that in Newfoundland the real rate of unemployment is probably not the 14.5 per cent Statistics Canada gives us but probably 30 per cent.

If we are going to start making things tougher, as a number of hon. members of the Conservative party suggested yesterday we should, if we are going to police the unemployment insurance system more actively, if we are going to put more restrictions on people qualifying, and if we are going to cut off people who do not meet certain standards, it seems obvious to me that we do that because we believe that there are many jobs which can be filled by people who are unemployed, people who are drawing unemployment insurance benefits, and people on welfare who simply do not want to look for those jobs.

Statistics Canada tells us not only the number of people who are unemployed but also the number of job vacancies in this country, and according to information Statistics Canada released just a few days ago, in the fourth quarter of 1976 the number of full time, part time or casual labour job vacancies decreased from 62,300 for the same period in 1975 to 41,700 in 1976. In other words, if every one of the almost 42,000 job vacancies was filled, there would still be over 710,000 people unemployed.

If we look at the provincial breakdown for job vacancies, we can get an understanding of what is happening in this country. In Alberta, where there is almost full employment and little unemployment, and people can afford to quit one job in order to look for another, there are 13 job vacancies for every 1,000 people. In Saskatchewan, where employment is at relatively high levels and where there is not much unemployment, there are eight job vacancies for every 1,000 people. But in Nova Scotia there are two job vacancies for every 1,000 people.

Therefore it is not surprising that people in Nova Scotia do not quit their jobs easily, do not leave their jobs unless they have other jobs waiting.

• (1510)

I am not surprised that many in Canada are under the mistaken impression that thousands of our unemployed could find jobs if only they wanted them badly enough. I am not surprised that some members of the official opposition think that, although I should expect members from the Atlantic provinces, where there is heavy unemployment, to know better. But I find it most disturbing that senior officials of the Department of Manpower and Immigration do not agree with Statistics Canada figures relating to unemployment and job vacancies.

I want to put on record the views of the Assistant Deputy Minister of Manpower, Mr. Harry Hodder, as expressed in the Toronto *Star* on December 10, 1976. I do not often raise in this House the views of senior civil servants; but when a senior civil servant grants an interview or makes a speech which is reported in a newspaper, I think it is quite proper to comment and put his views, as expressed in the newspaper article, on record. I hope the minister is listening because the point is important. Mr. Hodder's views, as expressed in that newspaper article, part of which I shall quote in a moment, show an inexcusable contempt for people. The expression of such views on the part of a public servant is indefensible, and I question whether he should be employed as a public servant.

The headline over the story in the Toronto *Star* reads, "50,000 'vagrants' to be cut off unemployment." The article quotes Mr. Hodder, who deals with the 50,000 people who will be cut off from unemployment insurance under the new regulations which will require a person to work for 12 weeks instead of eight weeks before collecting unemployment insurance. The first part of the article is in quotation marks. Mr. Hodder is quoted as saying this:

'They are mostly young people, moving in and out of the labour force and using unemployment insurance to fatten their income' . . .

The next part of the article I shall quote paraphrases Mr. Hodder's views, as follows:

Government studies estimate the 50,000 claimants eliminated under the bill can easily find work if they want to.

The studies estimate that it is unlikely that more than 2 per cent or 3 per cent of them would be forced to seek welfare.

Part of the next paragraph is in direct quotation marks and reads:

'The fact is, a very small proportion of them really need unemployment insurance benefits. They've been getting money for jam' . . .

Later, the article goes on to say this:

Hodder, who estimates the experiment might cost $5 million in the first year, says: 'It's better than having them lying in bed drinking beer.'

I suggest that a deputy minister earning probably more than $40,000 a year—

Mr. Cullen: Mr. Speaker, I rise on a point of order.

Mr. Hnatyshyn: What's the matter? This is a point of debate.

Mr. Cullen: Mr. Speaker, the hon. member has quoted a paraphrased version of Mr. Hodder's views, and he also read the headline of the article which mentions the word "vagrants," a word which I do not think my official used. Since officials cannot defend themselves in this House, surely it would be more appropriate if the hon. member were to write to the official, charge him with holding the views he is alleged to hold and allow him to make a response, before raising the matter in the House where the official has not got the opportunity to defend himself.

Some hon. Members: Hear, hear!

Mr. Orlikow: Mr. Speaker, I think I read five or six paragraphs of that newspaper story and I said specifically, I think, that two of those paragraphs paraphrased what the assistant deputy minister apparently said. The other four paragraphs were in quotation marks.

Mr. Cullen: Allegedly.

Mr. Orlikow: Not allegedly; they are in quotation marks. I am sure the assistant deputy minister saw that story, and if he was misquoted he would have made his complaints to the newspaper. I have quoted an article which appeared more than six weeks ago. I think I have every right to quote it. If the assistant deputy minister was misquoted, as the minister suggests or alleges, it was his job, not mine, to take that question up with the newspaper. I merely say that what he is quoted as saying is in line with the minister's thinking, as expressed yesterday. The minister may shake his head, but I suggest that I am correct.

We face the prospect of more unemployment in this country than at any time since World War II. The projections of government organizations, academics, banks and insurance companies show that unemployment will be worse in 1977 than it was in 1976. I could spend a couple of hours reading such dismal reports into the record.

I shall quote one more newspaper story, written by Wayne Cheveldayoff in the *Globe and Mail* of January 11, 1977. Dealing with the statistics issued by various economic organizations, he said:

Economic forecasters expect real gross national product (excluding inflation) to advance by about 3.5 per cent this year—a rate of growth that is significantly below the long run potential rate and down from last year's gain of 5 per cent . . .

Despite the expected stimulus, 1977, as the second year of recovery from the 1974-75 recession, will show slower growth in all components of GNP (excluding housing construction and business capital investment) than the average for the past five economic recoveries . . . The jobless number will exceed 850,000, while job vacancies remain under 100,000.

That is precisely what I said earlier. Mr. Cheveldayoff in his article estimated that the unemployment rate for all 1977 will fluctuate between 7.5 per cent and 8 per cent. We say that kind of unemployment is unnecessary. We do not think the country can afford that kind of unemployment. We do not think it is necessary to pay out as much in unemployment

insurance and welfare as we have paid out in recent years. My party is not alone in putting forth this opinion. That is also the opinion of the former head of the Economic Council, Arthur Smith.

A number of economists in governments, universities, and business have been calling on the government to stimulate the economy and follow the example set by President Carter. He has proposed a two-year program, to which Congress will undoubtedly agree, calling for the expenditure of $31 billion. Half that amount will be used for job creation; the other half will make its impact felt in the form of tax cuts, to stimulate the economy. We do not have anything like that being proposed for this country by this government.

● (1520)

I wish to give one example of what unemployment has caused us. An article by Don McGillivray appeared in the January 12 edition of the Montreal *Gazette*. He calculated what unemployment has done to this country. He stated that last year 9,572,000 Canadians who worked produced about $180 billion worth of goods and services, the gross national product. That works out to $18,800 for the average employed Canadian. However, 736,000 Canadians were unemployed. That is the number averaged over the whole year who were officially out of work and seeking jobs.

He pointed out that, until a few years ago, the Economic Council calculated that full employment would be reached when we had only 3 per cent unemployed. He does not agree. He said that in recent years the Economic Council increased the rate of unemployment which they believed would represent full employment to 4½ per cent. He stated that even if you take that figure there were 286,000 Canadians in 1976 who should have been working but were in fact unemployed.

Mr. McGillivray pointed out that if you assume that these are the least productive people, and if you cut in half the $18,000 average which was produced by each Canadian citizen who was employed, which would be about $9,000, you come to a figure of $2.5 billion in lost employment which we had in this country because of the existing unemployment.

The government has not taken the problem of unemployment at all seriously. It has paid little more than lip service with regard to the objective of achieving full employment. The LIP, LEAP and OFY programs have not been serious instruments in a broad, consistent attack on unemployment.

There is no iron law which states we cannot reduce unemployment to 3 per cent. Other countries have done it. France, Japan, Sweden and Germany had unemployment of less than 2 per cent in the ten year period 1962 to 1973 while our unemployment in that period averaged over 5 per cent. That level of unemployment is neither natural nor acceptable.

We have to take whatever steps are necessary to achieve full employment. The government is not doing that. Instead of aiming for full employment, as I said last night, there have been massive expenditures for manpower training for jobs which simply do not exist. They have not existed in the years we have had manpower training, they do not exist today, and are not likely to exist unless the government takes a much more active role in producing jobs than it has in recent years.

As I said last night, the manpower programs we have had have been aimed in the wrong direction. I quoted a sentence or two from the study commissioned by the C. D. Howe Institute on manpower training programs by Barbara Goldman. She found that current manpower programs are heavily weighted toward training, even though the training does not match the labour job market requirements. She found the program started and stopped, not because of manpower or job needs, but because of political decisions on the part of the government. This department has consistently been wrong in the advice it has given to the government and in the kinds of programs it has offered to the public.

I want to spend a few minutes on the proposals in this bill, first with regard to job creation. The government is proposing that UIC recipients who accept work on federal government work projects will be paid out of UIC funds and will receive the greater of UIC rates or the prevailing wage rate for that job in that area. Refusal to join such a project, or quitting the job once employed, will not result in disqualification. However, working on such projects will not be considered "employment" and will not make one eligible for future UIC benefits. It sounds like a cheap way to get work done. It gets paid out of the UIC fund rather than departmental budgets, and it does not provide the worker with credits for future UIC benefits. That could create a very serious situation for people who participate in such programs.

It is interesting to compare the proposal made in 1977 with what a former minister of manpower and immigration said. That member tried to be elected to the Quebec National Assembly at the time of its recent election. This was in 1966 when the House was debating estimates for his then new department. In response to a proposal by an opposition member for job creation programs, he said and I quote:

> The hon. member made a suggestion with which I basically disagree when he said we should try to find part-time work for those who draw unemployment insurance. Unemployment insurance is a type of insurance. The people who get unemployment insurance are not living on public charity. If we give start to competition between workers and those who are on unemployment insurance, I fear we will create an unbearable situation. Those people start working for lower salaries and will finally end up competing with regular workers. To my mind we must instead find regular employment for the people on unemployment insurance, full-time jobs that will afford them a livelihood. We must not allow them to compete against the working class.

In recent years I have usually disagreed with the then minister, but I must say that in 1966 he had a very sound, humanitarian, and realistic point of view, one with which I agreed completely.

In order to free up training funds, people eligible for UIC would be paid their training allowance, the greater of UIC or training rates, out of UIC funds, thus leaving more training money available for those who cannot qualify for UIC. Looking over Manpower's budgets from 1970-71 to 1974-75, we see that the department has spent up to 75 per cent of its annual budget on manpower training. For what purpose? To keep training the same people over and over again for jobs that do not exist. Very little is spent on job creation. This scheme is

another example of the kinds of things which should not be done.

I wish now to put on record a criticism by a provincial civil servant which I believe to be very valid. He is active and knowledgeable in the field of manpower training and education. He said, and I quote:

The manpower system in Canada has also witnessed considerable change in the past 20 years. This development has been primarily quantitative with scant attention to the interests and needs of the manpower trainees. Manpower decision makers have concentrated upon re-educating, retraining, and remolding the trainees without much attention to changing the requirements of the labour market.

● (1530)

My hon. friend from Nickel Belt talked about the large number of women being trained to become hairdressers in Newfoundland, probably enough to supply the entire need for hairdressers in all of Canada. I am not against hairdressers, but we can only use so many of them in this country.

The growth of the many manpower programs obscures the illogic of much of this direction. The absence of full employment often ensures training for more skilled unemployment. Differing levels of training allowances and attendance and varying recruitment systems for trainees, reinforce the standard educational systems under which universities are essentially for the children of middle and upper classes, community colleges are for the blue collar class, and adult basic education, with its related purposes courses, is for society's losers. I think that is a valid assessment of what we find in our manpower training program.

I want to talk now about one other proposal which is before us, that is, the developmental use of the unemployment insurance fund. One of the proposed sweeteners in this bill is the use of unemployment insurance funds to help create employment. These measures are supposed to be brought into play in the fall of 1977 as part of the government's push to reduce unemployment.

We have the work-sharing proposal, a scheme by which an employer who is forced to lay off part of his work force could make an agreement with the government whereby he would instead reduce the number of hours worked by everyone and the government would pay UIC benefits to everyone to make up for their drop in income. Participation in work-sharing would not affect eligibility for benefits later on. While it would be nice to prevent lay-offs, will the scheme not turn into another way to subsidize employers who claim they are forced into a lay-off? One remembers the Training in Industry program which had to be abandoned when the department found out it was simply subsidizing employers who were paying low wages. Work-sharing agreements will not be subject to appeal. The cost of this developmental use will be borne by employee-employer contributions.

When I saw that proposal, Mr. Speaker, it seemed inconceivable to me that it could have been approved by employer and employee groups which usually advise the Department of Manpower and the Unemployment Insurance Commission. I took the trouble to inquire whether the matter had even been discussed with those people, and I was informed by a source which I believe to be reliable that this and other proposals were not even discussed with the advisory committee on unemployment insurance.

I have sometimes not agreed with all the views of my friends in the labour movement. I was not enthused, to put it mildly, by their reaction to the government's anti-inflation program, their manifesto and the call for tripartism. But how can the government expect to get the co-operation of labour or industry on basic matters such as this, in the light of present economic circumstances and the very large number of unemployed, if it does not deal in depth, if it does not deal honestly and frankly with the people who are so vitally concerned?

I am not saying that those people will necessarily agree with this or any other proposal. I am not saying that a government should not act in the absence of unanimous agreement. Governments may feel they are bound to act even if a particular group or vested interest disagrees with a program which has been proposed. But how can a government expect to get co-operation and bring in a successful program when, in a field where for 25 years or more there have been institutions such as advisory committees, questions of this kind are not even discussed?

The government is not interested, though, in what labour wants. It is not interested in what the employers want. After all, the government has experts of its own, bureaucrats.

The Acting Speaker (Mr. Turner): Order. The time allotted to the hon. member has expired. He may continue with unanimous consent. Is there unanimous consent?

An hon. Member: No.

Mr. J. Larry Condon (Middlesex-London-Lambton): Mr. Speaker, we are debating here one of the most difficult and complex social problems a government can face. It is not just a question of unemployment, important though that question may be, and it is not just a question of unemployment insurance, important though that program undoubtedly is. We are discussing the whole range of problems which go to create a dynamic, complex and fluid labour market, incorporating a huge annual addition of new workers and shifting with the pressures of international trade and commerce.

In such a situation no government can have a higher priority than to deal effectively with unemployment. I believe that the income earned from the dignity of work is preferable to the income which arrives in the form of an unemployment insurance cheque. And I believe that we must support and develop an employment strategy designed to create what unemployed Canadians most want and need—the dignity and personal satisfaction provided by real and worth-while jobs, not to mention an earned income higher than unemployment insurance benefits.

Although private sector employment is expected to keep growing, the number of jobs in the short term over the next year or two cannot realistically be expected to increase much faster than the number of Canadians seeking those jobs.

Moreover, in the early 1980's, when the influx of young people seeking jobs will taper off, we may well face a situation in which the shortage becomes one of workers rather than jobs. Therefore, we must have a strategy which will provide jobs today but meet the need of tomorrow.

Our strategy must be one which will avoid massive inflation-stimulating deficits. It must not be a strategy of major monetary or fiscal stimulation, vast programs of public construction or public service expansion, or major tax cuts. These would not help to reduce inflationary forces. What we need, and what the government's employment strategy aims to achieve, is a progressive reduction of unemployment over the next five years without generating other major problems.

I believe the vast majority of Canadians want to work. And there is work to be done. But since there is no single cause underlying our rate of unemployment, there is no single solution either. There must, however, be a unified strategy, not to cure unemployment but to help keep it down, a strategy which allows us to reduce unemployment progressively over the next few years in a way consistent with the removal of wage and price controls.

● (1540)

Our labour market is too dynamic and the problems too complex and fluid to be able to afford a fragmented, inefficient approach to employment policy and to the organization of the labour market. That is why we are merging the UIC and the Department of Manpower and Immigration into the new commission and department of employment and immigration, and that is why the new organization must continue and strengthen the participation of business and labour in its work.

The activities of all levels of government in the labour market must also be better co-ordinated, as I think the hon. member for Hamilton West (Mr. Alexander) was correct to point out yesterday in the course of his rambling remarks. But I might just point out in that connection that figures from the district UIC office in my own riding indicate that not more than two people would be added to the welfare rolls each week as a direct result of the increased entrance requirement. And the London district office serves not just one constituency, but three. I hope that the hon. member, therefore, was not suggesting that long consultations are necessary before the federal government should propose changes in unemployment insurance legislation which would effectively place two additional people per week on the assistance rolls in the area served by a centre as large as London, especially when the cost of that assistance is shared 50-50 with the federal government.

With a stronger institutional base, then, and with co-operation from the private sector and between governments, we can reduce our employment problems in Canada if we can plan an effective, flexible strategy. The government has such a strategy, Mr. Speaker, a strategy with three components. The first is a comprehensive job creation program squarely based on community priorities; the second consists of youth employment and employability measures, to ease the transition from school to work for young people, who make up half the unemployed; the third is a group of selective preventive measures to reduce the loss of work and hasten a return to employment.

We all recognize that a permanent private sector job is what Canadians most want and that we must help them find it. But we must also recognize that when private sector jobs do not exist in sufficient numbers, we have an obligation, both to the unemployed themselves and to the Canadian community, to make sure that people can have work and the incomes that go with work.

From the point of view of both society and the individual concerned, work is far better than just giving people a cheque. The cost of unemployment is not just a loss of so many dollars or so much output. Much of the cost comes in failed career hopes, lost opportunities and eroded skills, in family stress, and in a growing dependency on the working members of the community.

Unemployment, therefore, is costly not only for our economy and our society, but most particularly for the worker who loses his job. Idleness brings loss of skills, loss of confidence, and erodes the worker's feeling that he participates in his community. While he may need, and has a right to income maintenance, we must be able to offer him something more. The government is now developing job creation models in which workers who are likely to be unemployed and on unemployment insurance for some months would be invited to participate in activities which have social betterment value for their communities.

We have in mind projects which would utilize many of the best features of earlier local initiatives programs, but which could be tailored more carefully to the needs of the individual—his need to spend some time in a continued job search, and his need for job counselling. The plan would allow participants to continue receiving UIC benefits, and they could receive additional support, for example, from cost of work allowances and for project overhead costs. These additional moneys would have to be voted for this purpose.

In 1977-78, the first full year of the government's five-year employment strategy, there will be an investment in the neighbourhood of $350 million over and above regular expenditures on manpower programs. And in that five-year period much of the incremental funding for the employment strategy will come from changes in the unemployment insurance legislation.

In the first full year, for instance, savings to the government from the legislative changes will be about $110 million. Future savings will be even greater. Because unemployment insurance savings will mount as unemployment declines, we can look at costs and resources averaged over five years. It is therefore expected that, if parliament approved the changes that have been proposed in the Unemployment Insurance Act, reduced government contributions to the unemployment insurance account will offset the incremental costs of this employment strategy.

Some people are repeatedly on unemployment insurance because they lack basic job skills and would benefit from occupational training or re-training. Although there is already

some integration of unemployment insurance and training allowances, the system is complex, and the training program which is entirely voluntary cannot accommodate all who need training.

Another potential developmental use of unemployment insurance is the short work week. In Europe some enterprises—enterprises which would otherwise have to lay off part of their work force—retain all workers on the job with shorter hours. Allowances are paid in respect of the difference between the hours worked and the normal work week. This sort of program requires the co-operation of company and union, but it has the great advantage of keeping people on the job and maintaining the skills of those workers during temporary business downturns.

Canada has one of the world's most efficient and comprehensive unemployment insurance programs, but it must be adapted continually in order to keep pace with changes in society and in the labour market. The proposed amendments to the Unemployment Insurance Act are designed, at the same time, to make that program more effective in protecting Canadian workers from the financial hardship of unemployment, without spending money which would be better allocated to employment programs.

The proposals put forward by the minister are designed to enhance motivation for work, to achieve simplicity, and to provide equity. There will be a more equitable relationship between the number of insured weeks and benefit entitlement in the initial benefit period. Greater equity will result, too, from eliminating the national unemployment rate as a trigger for extended benefits and from basing regional extended benefits entirely on regional unemployment rates. Regional rates are a better indicator of the difficulty of finding and holding employment. While the benefit entitlement of those with a shorter attachment to the labour force will normally be curtailed, adequate income protection will continue through benefits for those with a longer attachment to the labour force, and for those who reside in a region with a high rate of unemployment.

● (1550)

But the best way to fight unemployment is to prevent it. The federal government right now is investing well over half a billion dollars in the training and retraining of Canadians to increase their employability and income. Most of this very productive training is carried out in provincial institutions. I must say that very seldom does the federal government get any credit for this.

In the past five years government funding of industrial training has increased 500 per cent from $10 million to over the $51 million originally planned for next year. That will be increased by $19 million to a total of $70 million in 1977-78.

These training opportunities will particularly benefit young workers, women returning to new careers in the labour force, native people, and the many Canadians who each year find that they must acquire a new occupation to earn their living.

No comprehensive employment strategy for Canada would be complete without providing more opportunities for Canadians who are, in one way or another, seriously disadvantaged in finding and keeping jobs. The Outreach Program, intensive counselling programs, the Local Employment Assistance Program, and the development community employment strategy—these are the programs that we can and should improve in order to do more for the Canadians who are hardest hit by unemployment, regardless of the state of the economy.

As these innovative measures develop and prove successful, we shall expand them as rapidly as possible. In this way we will enable yet more unemployed people to take advantage of skill development programs and job creation. The result will be a much more productive and more fully employed labour force.

Canadians are vigorous and active—although I think this is sometimes not shown on the other side of the House. They want to work, and they often need training. They deserve a decent chance to have both. The role of an employment strategy is to see that they have the fullest possible access to job opportunities. And the role of the government is to see that this strategy is developed and put into place.

In order for an over-all employment strategy to be effective, it must be administered by an efficient organization and backed by sound legislation. I urge members to support this measure as a solid contribution toward the achievement of both these aims. I am sure this government can do it.

Some hon. Members: Hear, hear!

Mr. Jake Epp (Provencher): Mr. Speaker, it is a pleasure to follow the hon. member on the government side who just read through his speech. To save time I thought he might have appended it to the proceedings of the day. It is good to see him participate in the debate, however.

I should like to concentrate on two matters, first, the reorganization of the department as it affects immigration procedures, which is my special interest; second, unemployment insurance, both as to local organization and the eight to 12 weeks extension for attachment to the job market.

We received an organizational chart of the proposed Canada employment and immigration commission from the deputy minister, dated January 20, 1977. The first impression is of a well defined department. The flow charts are all in place. But when you analyse it further you find that the problems raised so often at the special joint committee on immigration, and the bureaucratic nightmares, will be duplicated.

The names of the deputy minister and assistant deputy minister appear in little boxes at the top of the organizational chart. But then one finds another bureaucratic layer of people with the title of executive director—there is an executive director for immigration and demographic policy with special responsibilities relating to the Immigration Act, the selection of immigrants, the resettlement of immigrants and Canada's demographic policy. Yesterday I asked the minister if we would have a demographic policy before the House at second

reading of Bill C-24. The minister indicated we would—if it is possible. I should like to urge the minister to have the policy and the regulations before the House at that time.

The next executive director has the title executive director of labour market policy. I understand he will look after training programs, development, counselling, placement services, employment development programs and so on. That seem to parallel closely the program that exists within the department already. And not only will we have an executive director of labour market policy but he will have an assistant executive director in charge of training programs.

There is an executive director of benefit programs primarily relating to the Unemployment Insurance Act. The small print shows that this person will be responsible for immigrant adjustment assessment or resettlement programs. One of the major criticisms heard by the committee as it met with Canadians was that the resettlement programs break down after immigrants arrive in this country. The argument was made that the best resettlement programs were those run by local community organizations interested in immigrants. This seemed to make more sense than having large bureaucratic programs put into place and operated by the department.

Then there are executive directors of national systems and services, of personnel, of finance and administrative services; as well there is an executive director general in each province and one in charge of foreign operations.

When you look at the department the minister has envisaged, not only is it going to be top heavy but, more important, it is going to be a maze, especially for immigrants. They will simply be amalgamated into programs that have high manpower orientation. I am not convinced that the high priority of manpower objectives, good though they may be, is in the best interests of immigrants. None of us quibble with the idea that in order for immigrants to be successfully resettled in Canada and have opportunities using their full potential and earning power, they must have jobs. It makes no sense for these people to be allowed to come to Canada and then to join unemployment rolls. That is not the argument. The argument is that in the manpower side of the department, the manpower mentality will become so dominant in immigrant selection that I fear the minister might be creating something with which he himself in the future will have difficulty in coping.

● (1600)

There are various suggestions as to reorganization, and I want to place a few on the record today, if I may. As I have indicated, I am not saying that all those executive directors are needed. I simply want to say, let us not have an over-emphasis on manpower when looking at immigrants and their needs. The special joint committee on immigration looked at the reorganization of the department and made recommendations to the minister of that day regarding this. This is clearly spelled out in the report of the special joint committee to parliament which is included in the minutes of that committee. The committee recognized that the former minister of manpower and immigration had an unduly heavy burden with regard to the myriads of programs that had attached themselves to that department, not only in the area of manpower but also with regard to unemployment insurance, which then was a separate commission but reported to the minister and which will now be amalgamated, as well as immigration, resettlement and training programs.

So no matter who the minister is, the heavy burden was recognized by the committee and recommendations were made. It was a large portfolio and a number of committee members felt that immigration linked with manpower led to an exaggerated importance being attached to employment considerations. Much of the discussion centred around this thought. For instance, Dr. André Raynauld, chairman of the Economic Council of Canada, had similar views when we spoke to him about it, and so did Dr. Harvey Lithwick who was at that time attached to the Toronto Board of Education. All of them seemed to indicate that while employment had to be related to the immigration selection procedure, it should not be the dominant factor.

The special joint committee said the following about departmental reorganization. This recommendation had the majority support at that time. I am quoting from the minutes of the special joint committee which met on Thursday, November 6, 1975, issue 53, page 43. It reads:

> Of the several proposals put to the committee, the one which attracted most support was that immigration be detached from manpower and the Unemployment Insurance Commission and instead be linked with citizenship, multiculturalism and population to form a new portfolio.
>
> It was felt this represented a rational grouping of federal responsibilities, and a minister with such a portfolio could expect to carry considerable weight in the cabinet. Also, there was a widespread feeling that serious efforts should be made to strengthen the settlement services within the immigration branch.

Having placed the caveat that of course manpower and employment factors have to be part of the selection process, I personally favour a linking of immigration with citizenship, multiculturalism and the demographic policy. That demographic policy not only will affect the future of Canada with regard to the numbers and distribution of the population and regional requirements, but will also include the large question in Canada today of land use, and the use of both renewable and non-renewable resources. I believe that this area is one to which, I submit, we have not given sufficient thought as Canadians because we have always projected Canada to be a large country with unlimited resources but with a limited population. The point of the matter is that if we do not start making some serious studies on the question of land use as well as on the distribution of population, and how our economic policies have contributed to the movement of people to places like Toronto and the Golden Horseshoe, it is encumbent on a department of the government to look upon these human resources and twin them with Canada's natural resources. I believe it is simply too large a task to ask of one department. I favour the approach that a separate department of immigration and citizenship be formed in charge of multiculturalism and the question of the demographic policy, including land use and resource use.

There is another reason that one could give for that proposal, and that is the question of citizenship. I am sure each member of the House has been told by people who live in his or her riding, who have landed immigrant status, that when they get to the point of applying for citizenship they generally think of citizenship as a natural extension of the immigration experience. They have made contacts in the immigration department and suddenly they find that they must go to another department, in this case the Department of the Secretary of State. I think it makes more practical sense for immigration and citizenship to be a natural continuum of the experience of a person becoming an immigrant and finally a Canadian citizen. I fear that with this division between the Department of Manpower and Immigration and the Department of the Secretary of State a dichotomy exists and confusion results. I think that would be another reason why that union should take place.

Another point in favour of this approach is multiculturalism. Frankly, this concept has been the whipping boy. It has been used for political purposes by the government during elections. Surely multiculturalism, and the desire to retain one's culture which is experienced in new immigrant communities, would be better served by the Department of the Secretary of State if this were part of the immigration experience, than it is today by the Department of Labour. I see no association between multiculturalism and labour. Why is it not part of the Department of Finance or of any other department? I want to stress to the minister that I believe that the reorganization of the department has not been done in the right way. As I say, a very fine academic organizational chart has been created, but is it going to serve Canadians? That is the question to which we must address ourselves. I will speak at greater length on the question of a population study when Bill C-24 is before us.

One other aspect of the reorganization of the department is the concept of the one stop service for those applying not only for unemployment insurance benefits but also for those who want to register with the Canada Manpower Centres for job acquisition and corporate job changes. I think it is important that we look at the present procedure, and I can only relate my own experiences.

● (1610)

Experiences might vary slightly from region to region, but in my area it goes something like this: as members of parliament we come into contact with unemployed persons, those who are applying for unemployment insurance, only when they are in trouble. We do not hear much from them until their benefits are withdrawn by the Unemployment Insurance Commission or unless they are not awarded in the first place.

Mr. Hogan: That is not the maritime experience.

Mr. Epp: I said I was talking about my experience. You can speak for yours. You have a seat here.

These people call their member of parliament, they come to his constituency office, and they ask for help. I think most members of parliament now have an arrangement with provincial offices whereby they call specific people in those unemployment insurance offices in order to dispatch as quickly as possible the claim which has been presented to them.

I can say very frankly that the person the minister has in the Winnipeg office who helps members of parliament with these problems has gone far beyond the call of duty. She has worked overtime and been very prompt, and I think she is to be commended. However, reorganization has already started and is taking place in local areas. In my area, for example, it is taking place.

What happens now is that when people are in difficulties they go to the area Canada Manpower Office wondering what to do with their problems. We have seen what has happened in those offices. They get a Winnipeg telephone number. Many of these people are already sick and tired of bureaucratic red tape. They are in a maze, they want to get out of it, but this puts them in even further. These people are unemployed; they are given a Winnipeg telephone number; but are they told to call collect? No. They are expected to spend their own money to phone Winnipeg, without any assurance that they will contact the right person or that their files will be examined quickly. Where can they go? They come back to the constituency office of their member of parliament, but they are a little more frustrated than they were before.

If the minister wants to reorganize at the local level, that is fine, but he should put insurance officers in local offices who can make decisions as to eligibility. Those officers should have the authority to say to applicants when their claims will be valid, what the weekly benefits will be, and when they can expect their money. If that does not happen and if applicants have to go back to Winnipeg, the only thing which will have been established is another layer of bureaucracy. It is vitally important that not only do we have Canada Manpower people in place but also that unemployment officers are in place locally, and that those officers can make decisions so that claims can be handled very quickly.

All of us know that unemployment creates hardship for people, and nothing is more frustrating to claimants who make applications than not knowing what is happening with their claims. If the reorganization at the local level contributes in any way to giving these people the information they deserve and to which they have a right, and if decisions as to their eligibility for benefits or as to the amount of benefits can be made quickly, the reorganization will have been worth while.

There has already been some rhetoric with regard to the change from eight weeks to twelve weeks, and I expect there will be more. One thing which is borne out very quickly is that it is much easier to put something in place than to take it away. It should be the duty of all of us, before we legislate and put a program into place, to see that that program does not create a dependency, and to see that, when that program is removed, hardship is not the result. I think there is some awareness developing that government programs which initially look advantageous, in the long term very frequently are self-defeating.

I want to say at the outset that I welcome and favour the change from eight weeks to 12 weeks attachment to the labour market. I support that amendment. Why? The unemployment insurance claimants who come to my office—and somebody might say that it is easy for me to talk because there is relatively little unemployment in the area I represent—fall into three general categories.

The first category comprises people who have been attached to the labour market for some period of time, in some cases years and years. Those people have made a considerable contribution to the unemployment insurance fund. They generally look upon unemployment insurance as insurance against a period of time when they are between jobs or, if there is a downturn in the economy, when they are laid off. However, in their minds it is insurance, they have paid for that insurance policy, bargained with their employers, and their employers also have contributed to that insurance policy. These people who have had a long attachment to the employment market are some of the severest critics of the present Unemployment Insurance Act because they see the insurance policy they have been buying seriously jeopardized by those who have not had the same attachment to the labour market as they have. There is no question but that I want to protect those people and the insurance that they have rightfully earned.

The second group comprises those who are chronically unemployed due to lack of training or skills, but are we providing these people with any service by marginally attaching them to the labour force so that they can collect unemployment insurance and then, once that unemployment insurance has expired, attaching them marginally once again so that the cycle continues? Is that a service? I say no. The people to whom I am now referring have a right to be trained and to develop their skills. It is a worth-while social goal to develop fully our human resources. However, is the Unemployment Insurance Act the best vehicle by which to meet that goal? I say no. I believe that the minister is correct in attempting to categorize those people who have been chronically unemployed and to give them training which will increase their attachment to the labour force, rather than simply to attach them to the labour force for brief periods which qualify them for another round of benefits under the Unemployment Insurance Act.

Then there is a third group, and I find it interesting that members of parliament can speak against the abuses of unemployment insurance so frequently when they are in their ridings. I suppose all members have had constituents coming to their offices and complaining about the abuses of unemployment insurance. I do not say that all the unemployed abuse unemployment insurance, but some do. Some try to claim unemployment insurance after a minimum attachment to the labour force. Actually, they look on unemployment insurance benefits as added income to be derived after a minimal attachment to the labour force.

● (1620)

People have come into my riding office asking how many weeks they must work to qualify for unemployment insurance.

[Mr. Epp.]

I am sure most other hon. members have had similar experiences. I say openly to NDP members from Manitoba that the Manitoba government introduced a program for giving people eight weeks of work in order to remove them from welfare rolls. Yes, that has happened in Manitoba. I say that that is an abuse of unemployment insurance, and people who do that are jeopardizing those who have bought insurance. I do not think the unemployment insurance fund should be used in that manner. Let me recite another example.

Once a person came to my office with a separation slip, signed by some official working for a department of the Manitoba government, indicating that the holder of the slip had worked for eight weeks. The period of employment was shown on the slip. Looking at the calendar, it became obvious to me that the person had worked less than eight weeks; it was about seven weeks. When I informed that gentleman that he could not qualify for unemployment insurance, he said, "If that is the case I shall ask my social worker to give me another week's work, and if he does not do that, I will be back on welfare."

In the past the minimal requirement for attachment to the labour force has been a disincentive to work. I commend the minister for bringing in the 12-week qualifying period of employment. Many of our social benefit programs which help the less fortunate are excellent. On the other hand, a certain percentage of our population looks on governments or government agencies as a means of getting something for nothing. Some who have been marginally employed have looked on the unemployment insurance fund as a source of income, as a method whereby they could continue earning money after only a minimal attachment to the labour force.

Let us consider the initial benefit phase, as proposed in this bill. The new bill would change the five phases of the present program to three phases. Under the initial benefit phase provisions a person could get up to 25 weeks of benefits. Some say, "What, will they get benefits for only 25 weeks!" Mr. Speaker, 25 weeks is six months. People in my region have come into my office, wanting to hire people to fill jobs because jobs were not being filled. That has happened in my region; I do not say that is the case in all regions, but in my region it is.

Let me tell hon. members of another experiment taking place in Manitoba, involving the Manitoba government and the Department of National Health and Welfare. The experiment concerns a program known as Mini-Income. The Mini-Income program is being tried out in Dauphin, Manitoba, both in the town itself and its environs. They are finding in Dauphin, Manitoba, that a certain percentage of people who were previously employed are willing to go on mini-income. It is debatable if the program is truly serving those it was supposed to serve. Are we improving their position by putting them on the welfare rolls? The experiment is costing Canadian taxpayers $17 million. If you try to get facts concerning the program from the mini-income people, you will find that those facts are not forthcoming. All local indications show that a minimum benefit has been derived from the spending of that $17 million.

The NDP, especially, does not like the change in the minimum working requirement to 12 weeks, from eight weeks. The hon. member for Nickel Belt (Mr. Rodriguez) suggested that for bringing in this provision the government ought to be tried under a section of the Criminal Code. But the hon. member's party thinks that only one agency, government, can create jobs. Mr. Speaker, such reliance on government must be reduced. With all due respect, we already have in this country the LIP program, Canada Works, Young Canada Works, FLIP, LEAP and many other programs. The question is, are we helping Canadians to obtain long-term jobs?

Without doubt, benefits were flowing from the operations of citizen advisory group committees when local projects were undertaken. After all, it is better to have people working than to have them on unemployment insurance. But the essential point remains to be considered, and it is this: we must find a new climate in this country, Mr. Speaker, and that new climate can only be created by the private sector. I know that we shall see joint ventures involving governments at all levels and the private sector. The point is that all relevant figures show that private investment is down.

We know that investment has declined. People are holding back, not investing. Mr. Speaker, nothing reduces available jobs and creates a downturn in the economy more quickly than a loss of investor confidence. The minister can bring forward all sorts of make-work programs which will give temporary relief, it is true, but they are not the long-term solution for which we are looking.

● (1630)

We hear a lot these days about people being ripped off. The one being ripped off is the worker, the person who goes to his job day after day. When jobs are placed in jeopardy because of a lack of investment, it is the worker who suffers first. There is no question about it.

We must return to where employment is created in the private sector. This will mean a reduction in the demands of all governments at all levels on the production of all Canadians. We are now at a level where all levels of government demand 42 per cent of the gross national product. I say to the government, freeze it!

The fact that the economy would grow would not only increase revenues for governments at all levels, but would allow each individual and each corporation to start making more of its own decisions. They cannot make those decisions if 42 per cent is taken off the top. It is the other 58 per cent that they need simply to stay alive. However, that does not build confidence in investments.

The minister spoke at some length about a new employment strategy, the work-sharing experiments for example. To my way of thinking, work-sharing indicates partial defeat. It also indicates that large pools of labour will be asked to reduce their productivity. Rather, the reverse action should be taken.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. Nevertheless, he may continue if he has unanimous consent. Is it agreed?

Some hon. Members: Agreed.

Mr. Epp: Thank you, Mr. Speaker. I will just be another minute or two.

Let us improve the productivity of workers and create investment confidence. A number of representations have been made to the minister regarding exactly this point. In most cases they have said that unemployment insurance as presently constituted has not only become a very costly way of doing business but has reduced investment confidence.

Our unemployment rate goes up possibly most dramatically when construction in Canada is faltering. There is no greater indicator of unemployment difficulties than when construction is faltering. The Canadian Construction Association stated very clearly that they are in favour of the increase from eight to 12 weeks and the development of confidence of which I have spoken. The Canadian Federation of Independent Business, a large organization of small business interests in Canada creating many thousands of jobs, are in favour of the eight to 12 week amendment. I could go on. There is the Canadian Manufacturers' Association. These are all private industries.

What about the Canadian Labour Congress? The Canadian Labour Congress also analysed it. The person to which they have first responsibility is the one who paid his dues for years and years to that congress. That person today is seriously questioning why he has to work day in and day out. Others who worked with him were able to leave the labour market and literally thumb their noses at him saying, "Why work? It is just as good on unemployment insurance". Let us bring back an intelligent policy for those who have earned it. I hope these amendments will go a long way in that direction.

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, it is obvious that the main points of this bill concern, first, the reorganization of UIC and Manpower offices into an integrated setup; two, increasing the entrance requirement for receiving UIC benefits from eight to 12 weeks; three, reducing the number of benefit weeks payable while simplifying the benefit structure; and, four, providing for the payment of UIC benefits to those on training, in work-sharing agreements and in job training projects.

The first thing I want to say about this act is that it, in itself, is a prime example of how the economic and social policies of the Liberal government under the Prime Minister (Mr. Trudeau) had been marked by inconsistency, flip flops and excessive ad hocery. The following are some examples.

One, wage and price controls were considered as no good for the country, and then they were implemented.

Two, in 1973 we were told that there were plenty of Canadian oil reserves well into the future, but by 1975 we had become a net importer of oil.

Three, tax laws were reformed with the closing of loopholes for the rich, and then the effects of these reforms were thrown

out the window when recent budgets introduced new ones like RHOSP and RRSP, and taking the 10 per cent surtax off those who make more than $30,000 in Bill C-22.

Four, job creation programs, both for adults and students, were established, then cut back and abolished, and then restored again.

Five, in this bill the government is combining the UIC operations and manpower. It is doing another flip flop and admitting a costly mistake was made in separating them in 1966. Of course the public has to pay for the reintegration of these offices.

Six, unemployment insurance was substantially broadened in 1971, then significantly narrowed again last year, and made even more narrow in the bill that is before us today.

My major concern about this bill is not with the reorganization mentioned earlier, or even with the question of paying UIC benefits to those on training, in work-sharing agreements and job creation projects. My hon. colleague, the hon. member for Nickel Belt (Mr. Rodriguez), dealt with those in leading off the debate for our party yesterday. I want, instead, to put emphasis on the changing entrance requirements from eight to 12 weeks, and the reduction of the number of benefit weeks payable under the new streamlined benefit structure. Later, if I have time I may comment on some of the former.

Any MP from the Atlantic region, except perhaps those representing the few metropolitan areas in those provinces, knows that such changes can be a grave threat to seasonal workers in that region. This generalization will also hold for areas in Quebec and possibly others such as northern Ontario, and possibly remote northern areas of some of the western provinces.

When the Minister of Manpower and Immigration (Mr. Cullen) first introduced notice of the changes on Thursday, December 9, the minister of labour for the province of Nova Scotia was quoted as saying on the front page of the Halifax *Herald* that such a move at this time could impose serious economic hardships in Nova Scotia, and I quote:

> The timing is wrong, many people who want jobs can't get them—the real unemployment figures are soaring ... it's not just people who don't want to work.

Mr. Fitzgerald also said, and I quote:

> The provincial social services department will have to pick up the slack for many jobless people left without UIC payments under the proposed changes.

I suggest that if the Liberal minister of labour for the province of Nova Scotia is right, then we can expect even more severe problems in New Brunswick, and, especially in the northern areas represented by Liberal members. Last week end I was in the Chatham-Newcastle area and the unemployment in these northshore Miramichi communities is up to a sickening 30 to 35 per cent.

● (1640)

Recently a team of New Democratic Party members of parliament were looking at the situation in Newfoundland. The increased entrance requirement to 12 weeks from eight weeks will adversely affect many Newfoundland communities dependent upon fishing and fish processing. Outport communities such as St. Anthony and Twillingate, and indeed the whole north and northeast coast of Newfoundland, will be hit by nothing short of a disaster if these amendments are passed. In past years this coastline has sometimes been icebound till June, enabling fish plants to work only ten weeks, or less. This situation will certainly arise again in the future and the fish plant workers, through no fault of their own, will not be able to qualify for UIC benefits to see them through the long hard winter.

How Liberal or Conservative members of parliament from Newfoundland could support this piece of legislation, which will hit their province harder than any other in Canada, is beyond my comprehension. The Secretary of State for External Affairs (Mr. Jamieson) must be very familiar with this problem. In his constituency of Burin-Burgeo there is a fish plant at Isle aux Morts in which the workers are lucky to get eight to ten weeks employment because the federal government has allowed the herring stock to become so depleted. What will the hon. gentleman tell these workers when they will not be eligible for unemployment next year? It truly will be an Isle aux Morts in any language.

One of the sweeteners in this bill, which, in general, is a sour one, is that there will be a saving through reduction in the employer-employee premiums. For example, it would be $4 million in Newfoundland and $7.7 million in Nova Scotia. But each of these provinces in turn would see a reduction in unemployment insurance payouts resulting from the new amendment which would amount to between $24 million and $28 million in Newfoundland and between $9 million and $11 million in Nova Scotia. Manpower Department figures for the first five months of 1976 showed that 63.8 per cent of all eight to 11 weekers were in Quebec and the Atlantic provinces—areas with extremely low job vacancy levels and endemic histories of seasonal unemployment.

Taking the employer-employee reductions in the Atlantic region and Quebec, we find that $85,800,000 will be saved through reduced premiums but that $175 million is taken away from those provinces by these amendments. This means that taking only the effects of this bill into account there will be $89,500,000 less multiplying around in these provincial economies because of these changes.

These total figures for the Atlantic provinces and Quebec are the result not only of the changes in the qualification period but are also attributable to the reduction of benefits envisaged in this bill. No one would argue against simplifying the benefit structure for unemployment insurance payments. However, in simplifying the benefit structure by eliminating the national extended benefit period, the government has also reduced benefits for more recipients.

The minister and his departmental employees have tried to argue that tying special extended benefits to regional unemployment rates rather than the national rate would automatically result in longer benefit periods in areas of high unemployment such as the Atlantic provinces and part of Quebec.

As far as I am concerned, they are playing with words. It is true there would be shorter benefit periods in areas of relatively low unemployment such as the prairies, but this would be offset by the fact that the high unemployment areas in the Atlantic region would be still tied to a definition of a region which makes the region equivalent to the province.

For example, the Statistics Canada labour force survey in the province of Nova Scotia divides the area geographically into four groups, plus the Halifax-Dartmouth area. The provincial unemployment average is lower than the actual unemployment in many regions of the province. This is because of the traditionally low unemployment in the Halifax-Dartmouth metropolitan area. In effect, ridings of high unemployment such as Cape Breton-East Richmond, Cape Breton-Highlands-Canso and Cape Breton-The Sydneys do not get their true share of funds through the regional rate of unemployment criterion. For example, in 1976 the average unemployment for the province of Nova Scotia was 9.6 per cent. However, it was 12.7 per cent in Cape Breton Island as compared with only 7.2 per cent for the Halifax-Dartmouth metropolitan area. These, of course, are official statistics and I do not wish to belabour the point that they surely do not reveal the true unemployment picture there. My point is reasonable and important for all UIC recipients there.

Since the bill does not change the definition of the region and follow the labour force survey method of determining sub-regional unemployment, the UIC recipient receives less because, to repeat, the relatively low unemployment area of the Halifax-Dartmouth metropolitan area consistently pulls down the average of unemployment in the province. Since part of the UIC payment is based on these averages, rather than on the statistics taken by the labour force survey for the whole of Cape Breton, people down there suffer. They suffer in two ways. They don't have the jobs and they don't get the amount of unemployment insurance that should be due to them. As a consequence, unemployment insurance fails to play the role of a local stabilizer in the economy that it should.

I cannot understand why the minister does not base the regional benefit on the labour force survey areas, which give a truer picture of the sub-regional unemployment within provinces. Given the fact that the Statistics Canada labour force survey is to be extended, by March, to cover some 55,000 homes instead of 40,000, this is an ideal time to make the UIC payout in these hard hit areas more realistically and fiscally responsible.

Even given this failure, there is no way the minister and his top officials should leave the impression with the public that the changing of the benefit structure is an improvement for areas like the Atlantic region.

The facts are simply these, and no amount of bureaucratic gobbledygook from high paid civil servants is going to change it. Under the present scheme, and I am referring now to the one which is currently operating, a person in Cape Breton who has worked for 20 weeks would get 51 weeks benefit. Under the bill before us, on the other hand, Bill C-27, the person who worked 20 weeks would only be entitled to 38-40 weeks. Similarly the person who worked for 12 weeks under the present scheme would get 44 weeks of benefit while under Bill C-27 the person who worked for 12 weeks would be entitled to only 30-32 weeks of benefit.

● (1650)

As if that were not bad enough, Mr. Speaker, I must express my anger at the present minister who, on a one-to-one basis, is generally more personable than most Liberal cabinet ministers. I am angry with him because he keeps trying to defend these changes by referring to the fact that only "kids and housewives" will be affected by this reduction in benefits. Not only is the minister's statement inaccurate but it smacks of discrimination. A young man who is 17 or 18 years of age is not considered a kid by the government if he has to fight for his country. Housewives who are among the far greater number of women in the labour force, especially in areas of high unemployment like the Atlantic provinces, work to supplement the family income. It is more than chauvinistic; it is very wrong for the minister's advisers to assume that these housewives would not want to work in order to supplement the family income at a time of high living costs, high educational costs for their children, and the high cost of everything in our economy today.

It is all right for an MP or top level civil servant whose wife does not have to join the labour force, and whose family income is naturally high because the chief breadwinner's income is high, to use the criteria or yardstick of the income of the breadwinner to determine the economic welfare of the family. But I want to tell the minister and his associates in the strongest possible terms, and with the deepest conviction, that they are wrong. They are using a double standard of economic welfare that discriminates against these housewives who want to work and these kids, so-called, between the ages of 17 and 22.

Recently on our visit to Newfoundland we had a well presented brief from a pro-femina group who were attached to the manpower department in St. John's. They told us without equivocation that the surveys that they have made among housewives in the Newfoundland area indicate that over 50 per cent of the housewives surveyed would like either to enter or re-enter the labour force. As the hon. member for Nickel Belt mentioned yesterday, Statistics Canada published a study of unemployment this past August comparing 1973 with 1971, and one of their conclusions was that in both years unemployed wives tended to come from families with low incomes.

The discrimination against young adults and housewives which is in this bill seems to be added to by the inaccuracy of the minister's statement about the composition of those who are to be desentitled. In June, 1976, a month when many students were on the job market and unemployed in large numbers, only 12.5 per cent of unemployment insurance recipients were under 20 years of age. Adult males made up 45.8 per cent of the total recipients, and adult women accounted for 41.7 per cent.

When these changes are viewed from a regional and subregional perspective, they become even more significant. The government tries to play all kinds of statistical games by giving a selective profile of these eight to 12 insured weeks applicants. These profiles say that 64 per cent of all these applicants in 1974 had dropped out of the labour force by March, 1975. This, I suggest, is due to the fact that the national economy is performing so badly under this government that the incidence of the discouraged worker withdrawing from the labour force is increasing. The Nova Scotia department of labour publishes monthly current labour force statistics for the province, and in November they included the following note explaining what seemed to be a decline in the unemployment rate in Cape Breton:

> However, the figure for Cape Breton is very misleading if one were to look at the participation rate next to the unemployment rate. The participation rate in Cape Breton fell by 4.3 percentage points and thus, accounts for the fall in the unemployment rate. The fall in the participation rate can mean that people in Cape Breton feel that there is no need to look for work because there are no potential jobs in the area, so they fall out of the labour force. Again, one can see the effect of the economic slowdown in that many people are now falling out of the labour force as discouraged workers. A fall in the labour force of the potential unemployed (that would be counted as unemployed if they stayed in the labour force) means a fall in the unemployment rate.

The federal Department of Manpower refuses to acknowledge that the recession is forcing thousands not just on to the unemployment rolls but out of the labour force entirely. They argue that they are trying, through this method of reducing the qualification for benefits by pushing the period up to 12 weeks from eight weeks, to improve the labour force attachment of this group. Indeed, one can view this move against the eight to 12 weekers as an attempt to force them into withdrawing from the labour force faster, and thus erasing the government's embarrassment over their failure to provide Canadian jobs. This is going to affect over 330,000 Canadians in the course of a year, not 50,000, as the minister keeps repeating.

A Canadian Press report yesterday had this to say on this question:

> Estimates of the number of claimants who would be cut from unemployment insurance payments as a result of the change range from 50,000 to 330,000.

So the figure could be 330,000, although the figure that the minister used at one time was 50,000. Let us not be fooled by the way the minister and his departmental advisers are using these statistics; some 330,000 are going to be affected by this measure although it would be only 50,000 at a particular time.

The Department of Manpower states that almost half these people are under the age of 25, and that many are working wives and young persons working at home as I have already said. What is left unsaid, however, is that over half are over 25, 75,000 are between the ages of 25 and 34, 41,000 between the ages of 35 and 44, 35,000 between the ages of 45 and 54, and 19,000 are between 55 and 64. As for the charge that some of these people are only a second income to the family, a kind of secondary worker, according to the 1971 census 6,200 heads of households in my riding—and I am sure this would apply to the riding of the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen)—draw less than $5,800. Surely these families should not be denied a second source of income by the Minister of Finance (Mr. Macdonald) the Minister of Manpower and Immigration (Mr. Cullen), or the Liberal cabinet.

[Mr. Hogan.]

Further, the minister says that only 30 per cent eight to 12 weekers have established a season repeat pattern. This amounts to a total of 110,000 Canadians in the course of one year, 110,000 people who will probably not be able to remain where they are to work those eight to 12 weeks per year, if this measure passes. Has the minister given any thought to what will happen to these seasonal enterprises if the people can no longer stay in the area to work for the two months required, since, this would not provide the necessary number of stamps to carry that person over the winter?

Further, it is alleged by the department that these changes would result, at most, in an additional 2 to 3 per cent in social assistance costs. The federal government is arbitrarily shifting financial burdens to the provinces and municipalities, and then it wonders why a significant segment of Quebec views federalism as a deadend street. Such narrow-mindedness on the part of the federal government helps sow a bitter harvest. The municipalities in my own riding can scarcely afford this increase, even without an Olympic debt. Their industrial tax base is declining, and you can only levy so much property tax before it becomes self-defeating.

● (1700)

Canada is a large country with regional economies that are not always in step. The former minister of manpower and immigration, now the President of the Treasury Board (Mr. Andras), promised in the budget speech that the so-called four weeks rule would be abolished. This rule now means that an individual who does not receive extended benefits for four weeks, or more, has his claim permanently terminated. Experience has indicated that this rule clearly served as a deterrent for claimants to return to short-term work that lasts more than four weeks and now less than 12. This is the regulation that caused Cape Breton steelworkers to be cut off their unemployment insurance, as reported in the Cape Breton *Post* on August 10, 1976, after being recalled to the steel plant for a short period of employment, so we are happy about that change and the change regarding severance pay as well.

The "work-sharing scheme" of this bill—under which a private employer can draw part of his wage bill from the unemployment insurance account—is full of pitfalls and opportunities for abuse. It will probably turn out to be like some of the projects on retraining on the job, or like "experience rating"—the idea that employers with lower rates of employee turnover should pay lower premiums. This well-intentioned tinkering with local job markets has now fortunately been scrapped.

The minister, of course, will answer that the new Canada Works program, which in essence is an extended LIP project, and the Young Canada Works program, in the Atlantic region will soften some of the dire effects that could ensue from these changes. I do not blame the present minister, but it surely is the height of departmental inefficiency to have rushed the

application date of Young Canada Works as they have done. The high school and college age groups have not had sufficient time, or counselling with manpower and other groups, to come up with projects that could qualitatively improve their own skills and at the same time best help their communities.

Last week in Cape Breton I was trying to get the high schools to move on this because the cut-off date is February 4. All kinds of people were coming to me and asking what they could do. I am not blaming the new minister, for this, but there should have been some planning over the past five months so that there could be many qualitative as well as quantitative projects to improve the total community. The whole Young Canada Works program is now a complete administrative snafu.

In closing, Mr. Speaker, I wish to quote from a recent editorial which appeared in the Ottawa *Citizen*, which usually supports the Liberal government, and which is entitled "More Band-Aids For The Jobless". It reads:

> Manpower Minister Bud Cullen, like so many before him, mistakenly believes temporary job schemes solve this country's chronic unemployment problems.
>
> New Democratic Party Leader Ed Broadbent aptly calls these programs "handouts". He suggests the government might spend its time more profitably adopting policies to ensure that Canadians can find the jobs they want.
>
> The newest package involves allocating $350 million to such programs as Canada Works, Young Canada Works and summer job corps. A bit far-fetched from a government which only a year ago killed the Company of Young Canadians, in the name of restraint, to save $130 million.
>
> Mr. Cullen says the new program differs from the old ones because of "a permanency we never had in the past". The only hint of permanency is a commitment to a five-year program of temporary job creation.
>
> Ultimately, the government's attitude is the downfall of this system. The Company of Young Canadians case is the classic example: such programs are the first to go when budgets or ministerial portfolios are juggled.
>
> The Liberals should learn from past experience the inconsistency with which funds were distributed and the inherent opportunities for patronage dictate the need for real employment to offer workers the benefits and security enjoyed by those now in the labour force.

I was not surprised but was somewhat amused by the remarks of the Conservative manpower critic in the House yesterday. As the Canadian Press report in today's *Citizen* puts it, the hon. member for Hamilton West (Mr. Alexander) claims that his party should get the credit for the proposal to toughen unemployment benefits because he had called for such measures since 1971.

The hon. member for Provencher (Mr. Epp) says he agrees with the provision of eight to 12 weeks; what he did not say in the House but did say to the press was that he wanted 20 weeks. He says this has little to do with the fact that he comes from an area which enjoys relatively high employment. I wonder if members of that party from Newfoundland and the Atlantic provinces would say that.

The bill before us is essentially another example of the inconsistency, of the flip flops and excessive ad hoc arrangement and band-aid applications used by the government as substitutes for policies of full employment and economic stability for the Canadian people. Whatever the virtues, political or otherwise, that the Prime Minister is considered to have by his cabinet and backbenchers, and by his followers, principally in Quebec, he certainly has made a mess of managing economic policy in this country. When he came to office we had the second highest standard of living in the developed world—as measured by per person income; today we are in the eighth place.

The latest available United Nations bulletin of statistics is for 1975. It shows that there were 13 nations in the world with lower unemployment rates than Canada.

Last year the Economic Council of Canada issued a paper entitled "People and Jobs—A Study of the Canadian Labour Market". At page 39 it had this to say, and the Minister of Manpower chose to ignore the advice:

> It would, of course, be possible to try to eliminate abuses by cutting certain categories of claimants, or the duration of benefits, or by extending the period of work before claimants become eligible for benefits. But such recommendations could prove harmful to persons most exposed to period and genuinely involuntary employment. It would seem better to go after malingerers more directly. For this reason we believe that much of the problem of abuse of unemployment insurance could be solved by two methods—by tightening of administration efforts to get persons back to work and by creating jobs to absorb them.

To that I say amen, Mr. Speaker.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I read carefully the best speech my colleague from Kamouraska (Mr. Dionne) ever made. I found it so thorough that I shall not go over the topics he dealt with. He denounced the ambiguity of the Unemployment Insurance Act and fustigated the regulations written by the technocrats for being three times as voluminous as the act itself. And to think that all that was done in an attempt to avoid paying the unemployed the benefits they are entitled to. The member for Kamouraska is a former union president, in addition to which he sat on the board of arbitration for several years. In other words, Mr. Speaker, he knows what he is talking about. I shall therefore limit my remarks this afternoon to the object of the bill, unemployment insurance with regard to work.

The minister entitles his bill:

> An Act to establish the Department of Employment . . .

The minister thinks he is changing the spirit of the Unemployment Insurance Act. I say the expression "Department of Employment" is even less true than "unemployment insurance" because at least unemployment really exists while employment is nonexistent most of the time. A while ago I heard the former speaker preaching full employment. I always find that slightly amusing under present circumstances. Why think, consider or even believe in full employment? Everything modern should then be completely eliminated. A stop should be put to the invasion of the labour market by the machine which does away completely with some workers; all scientific processes should be done away with if we want to have full employment and go back 50 or 75 years to the days when, for instance, sand was still carried about in little round shovels: that is humanly and economically impossible. So why talk and try to argue in favour of full employment? It is pointless.

● (1710)

Everybody knows very well for that matter that unemployment, just as welfare, which is its corollary, is the result of our era of automation which creates affluence and leisure. The present state of unemployment therefore demonstrates without doubt that we are fifty years late in adapting our economy to our social reforms and our social reforms to the scientific development we have known for the last fifty years. All this is due to our inability or reluctance to free ourselves from the old principles of the society based on production for the sake of profit that we have known. We are then forced to think out such ridiculous and temporary devices as unemployment insurance, which has the effect of a palliative in a nonevolving society.

Above all, let us not try to have people believe that the government will replace unemployment by full employment. Within the framework of our society where production is aimed at profit, it is impossible to talk about full employment. Let us then talk about full income or a minimum guaranteed income for all, but not about full employment for all.

In spite of all the efforts made by capitalist governments which have always sacrificed human capital to money capital, these gentlemen will be forced by events and by universal logic to agree with social credit proposals, namely the establishment of a dividend for everyone. This dividend will have to be distributed according to the income of Canada rather than be based on set premiums like present unemployment insurance. In fact, when unemployment insurance ceases, that is to say when the claimant can no longer receive benefits, he must necessarily begin to live on welfare. In other words he begins to receive a small national dividend. What people on welfare receive is a small national dividend which comes from the national product and which is the precursor of a dividend for everyone.

I am saying that unemployment insurance is a band-aid treatment because either the real cure has not been discovered or, which is worse, we did not want to apply the real and only cure possible because of stronger financial motivation. I say that these governments behave like criminals towards society.

Perhaps they will tell us that they ignored these data which would have enabled our society to move at the same pace as our scientific emancipation in all aspects of electronics and automation. However it was foreseeable that the more the machine would replace human energy, the smaller the number of workers who would have to sacrifice their lives to feed the rest of mankind. Today, I am well aware that several people in governments would have benefited from learning by heart the works of Major C. H. Douglas because they would have understood fifty years ago what they begin to grasp today.

● (1720)

People have always imagined that the founder of social credit was concerned only about the monetary system, which is untrue since this matter takes up only ten pages in his treatise. He talked mostly about economic and fiscal reforms, about social reforms to follow scientific innovation and to live with automation which was beginning at that time, and we can conclude from this that the national dividend is the only solution to all job losses caused by automation.

He even talked about unemployment and leisure. This is why I was pleasantly surprised when the minister, in introducing his new Bill C-27, told us about the three programs which he wanted to emphasize, that is recycling or adult training, the leisure fund and job sharing. I therefore congratulate the minister and urge him to continue in this direction. Indeed I would very much like to know if he has read the chapter on leisure and intellectual liberation in the book by Mr. Douglas. In this chapter, we see that it is not an exaggeration to say that 75 per cent of the new ideas, and even the inventions to which humanity owes its progress, can be attributed to unemployed people. As a matter of fact, this is what has enabled us to leave the age of the muscle which benefited a few people and to enter the age of automation, where science should serve everyone. Suggesting that we should keep an outdated and obsolete organization system because of the risk involved is like refusing to build a railway because of the unfavourable effects on stage-coach transportation. I have every confidence that the minister, who is young and full of vigour, will continue to open up new avenues and to find inspiration in the book by C. H. Douglas. If he does not have it, I can give it to him. This book was written 50 years ago, but it is now even more relevant than ever.

In the meantime, I understand that we have to operate as well as we can with the old tools designed by the financial controllers who lead the governments according to their will and the vagaries of their capital. For them, man has always been a simple production tool to enable them to increase their capital, but in the new society created by automation, man will give much more importance to intelligence and sports. I think the minister has just become aware of this, because once they are free from their total involvement in the work which gave them shelter, clothing, food and basic necessities, tomorrow's men and women will be able to spend more time on creative endeavours.

It is up to the government to further direct its efforts towards social security for all citizens rather than acting as a protector of money capital. I would like to add a few words about new programs such as Canada Works and Young-Canada Works. I think these programs are transitory but necessary incentives which will benefit the population provided they are well administered. They will reduce unemployment, using the same money but at least the unemployed will be given a chance to keep busy while producing useful goods. Still I am quite anxious to see what direction will be given to these projects. As I see it, the people of the area concerned are in the best position to advise the minister on that.

I think that Canada Works should be meshed with the other program over the summer months to make it possible to direct the efforts of both groups towards a sole objective. It would be unfortunate for instance if student projects could not be meshed with or even, depending on circumstances, incorporated into those of Canada Works. Therefore we urge the

minister to encourage students to work in their respective municipality even if their activities do not coincide with their field of studies. I think I heard that student projects cannot be consistent with other endeavours under Canada Works because students must work within their field of interest so that it be a follow-up of their studies. Mr. Speaker, I do not see why a medical student for instance could not plant trees, work on green spaces or do whatever may be worthwhile for his town or his community.

Mr. Speaker, I think that having groups of students work within their municipalities will make them proud to see that they have built something; for when they become adults they will come back in their communities and say: we did that for our own community. And I think it is fine for students, even if they do not make direct use of the knowledge they may have acquired during the school year. I am sure the minister will consider these remarks. I think he agrees with all of us that these projects should not be launched simply to provide employment but rather to leave something in their communities.

We need these projects very badly. I know some in my region which two or three departments may be interested in, be it forestry, environment or green spaces; I know there are many thorough projects that will undoubtedly interest the department, but to do that, both groups must not be opponents or competitors. The projects should be easily merged so that we can do serious work at the municipal level. I am prepared to believe that regional officers do their best to satisfy recipients, although there are some—and thank goodness they are the exception to the rule!—who tell our voters that the MP has no right to interfere in such matter. When it comes to projects like the one pertaining to unemployment insurance, I do believe—and so does the minister since he uses our services so often and I commend him for it—that a certain propaganda goes on at the regional level and I know very well from the start that the minister takes absolutely no notice of it. In any case, as I said earlier, we simply must do something about unemployment insurance.

● (1730)

All these officials do their best, it is quite evident, and I am even prepared to give the benefit of the doubt and excuse the ignorance of those who would not let the MP look into their affairs, but they should try to understand that having voted a certain law the MP must first of all see that the law is enforced fairly and then check to see if it would not be necessary to amend it to make it clearer for the officials concerned and more flexible for the recipient.

That is a role as I see it, although some may choose not to assume it, saying that there are enough civil servants around to do the job; the choice is theirs. But I cannot shirk my duties. In any case, I can speak freely on this subject since I am generally satisfied with the work of the majority of officials in my region. I also wish to tell the minister that we are satisfied with the withdrawal of the regulation concerning the four week period of employment. We have asked for a long time that this regulation be abolished, since it caused so many injustices for certain recipients.

Finally, with regards to the right of appeal, we are glad to see that we will finally be able to appeal to the Federal Court even if the ruling of the board of referees is unanimous. What nonsense when, after having argued a case before the board of referees and even when the board was unanimous, it was absolutely necessary to get the permission of the chairman of the board—who had just concurred with the board—in order to go before another court! The minister now proposes to amend the regulation. Well, we discussed this during our last party caucus and did consider introducing a motion to that effect in the House. That is why I say we are fully satisfied with the change at this stage.

As for the 12 week eligibility period for benefits, it will certainly be an handicap for a great many workers in my area.

I am referring to the hundreds of people who travel to Ontario to work during the fruit and vegetable picking season. Because the season lasts only two months, or two and a half months at the most, it will be very difficult for those workers to complete the twelve week minimum period. This will affect Ontario producers as well because they will not be able to get the skilled labour they need to bring in their crops.

In addition to diverting workers to welfare, this will force the Ontario growers either to hire off-shore labour or to leave the crops in the fields. The committee should look very closely into the matter, and I would like to call the minister's attention on this. As I said, this is a most serious problem in our area. It has far reaching consequences for Ontario and raises grave concerns in our sector.

I would like to take this opportunity to say a few words on work terminations. Whether the minister gave orders or not to convince workers they should obtain the work termination form at all cost from their employers, UIC offices require that unemployed workers do everything in their power to obtain those forms. Indeed, I read the advertisements published by the government on this subject. In my view, they are misleading. Signs were put up urging workers to obtain the work termination form from their employers when they become unemployed.

Unless the act has been changed, certainly the employer must send that form to the UIC's regional office. Of course the worker should ask for it before leaving, but most of the time the employer is not ready to give it to him. In the case of a forest worker for instance he will go home, the camp will close down, and the worker will wait. Fifteen days later he will find the office does not have his work termination form, and he will be told to go back to the employer and ask for it. It seems to me, Mr. Speaker, that the claimant should not have to do that. He has to go through it once, but, the second time, the employer has the responsibility to send a separation notice to the regional office. If he fails to do so, he should be fined. If the employer is at fault, it is the responsibility of regional officials to force employers to obey the law.

There have been so many abuses in this field lately that we wonder why officials seem so reluctant to fine unscrupulous employers. I have even heard of cases, which are fairly typical in my area, where they paid their workers cash instead of by cheque. In this way, the employee cannot prove that he has been working when he loses his job after eight or ten weeks. He is not eligible for unemployment insurance benefits. I asked the commission to investigate theses cases; I told them the time had come to call in the RCMP, but they never did investigate. Those guys are taking advantage of the workers as much as they like, and the poor fellows have to go on welfare, after working for eight, ten, fifteen or even as much as twenty weeks.

Yet they never miss a chance to penalize claimants, we know that, to fine them right and left. But I have never seen an employer penalized. I do not know if sometimes some of them are penalized because they are late. We should probably start by penalizing the government of Quebec, they invariably take a month and a half to send employment terminations to their employees. When you think, Mr. Speaker, that those employees cannot draw a penny as long as their employment termination slip has not reached the office although they reported immediately after leaving their job. I do hope this matter will also be considered by the standing committee so an amendment if necessary can be brought in to further protect the claimant.

I would like to say a last word on vacation pay. This is another injustice being perpetrated upon the claimant. Everyone knows that the law now allows subtracting a number of weeks proportionate to the amount of vacation pay received by the worker. I am now advising employers to pay the vacation pay every month. The vacation pay is money earned. There are four, five or six months of vacation pay. What is the loss resulting from that vacation pay? To the worker it represents a loss of one week, two weeks, three weeks or four weeks of unemployment insurance. But let him draw immediately that vacation pay so that when he is unemployed he will have no more vacation pay. This is a monumental farce. It is robbery—I call it robbery. I thought the vacation pay compensated for the two-week waiting period. But no, that vacation pay can result in a penalty of four weeks, plus a two-week waiting period, which means six weeks before getting unemployment insurance. I find that absolutely illogical. Once again, I ask the minister and the committee to consider that matter very seriously.

Finally, in concluding I want to say to the minister that we welcome the combining as well as the decision to combine both offices, namely the Canada Manpower Centre and the unemployment insurance office. That is the way it was at the beginning. It is funny how the administration works. It was like that at the beginning; in my area we only had one unemployment insurance office. After much claiming and begging, it was finally divided into two. It was supposed to be subdivided into three, but no, things have stalled. We are still waiting. But now it has been decided to re-unite the two offices. I think it is essential. They work in the same field: unemployment and employment are in the same area. I have never known why the departments had put a partition between the two, an impassable barrier, to the point that some officers used to tell us: I cannot get the information; you should call the Manpower Centre to get such and such information. If the minister has decided to re-unite those two offices, I think a serious problem will then be settled, and the officers will provide a better service. First of all, it seems to me that a little less staff will be needed, for in my riding three or four more officers would have been needed to have an efficient UIC office, whereas with the reunification we will even save money.

Once again I want to thank the minister for having thought about it and I hope that when the committee completes its consideration we will have the amendments we want incorporated in the bill.

• (1740)

[*English*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, I suppose it can be said that the further one gets west, the more one's enthusiasm for this bill increases. That is understandable because the further west you get the lower the rate of unemployment becomes. Consequently, we have in effect a real dichotomy with this kind of a bill, the real regional disparities that exist in this country.

That is not to suggest we do not share the concern of other hon. members about the need to reform the Unemployment Insurance Act. There is a legitimate need for reform, a legitimate need to tighten up this legislation. I wish to quote from a study by the Economic Council of Canada in their report "People and Jobs" which came out early in 1976. It states this at page 39:

> It would, of course, be possible to try to eliminate abuses by cutting certain categories of claimants or the duration of benefits, or by extending the period of work before claimants become eligible for benefits. But such recommendations could prove harmful to persons most exposed to periodic and genuinely involuntary unemployment. It would seem better to go after "malingerers" more directly. For this reason we believe that much of the problem of abuse of unemployment insurance could be solved by two methods—by tightening administrative efforts to get persons back to work, and by creating jobs to absorb them.

That says it all. I believe the need is there to tighten up the Unemployment Insurance Act. Obviously the administrative mechanism needs tightening up. It is a fact that there are abuses, but this is not the time to tamper with the provisions of this bill whereby the qualifying period for unemployment insurance is increased from eight to 12 weeks.

Obviously that is a needed reform, but that reform should not be brought in at a time of critically high unemployment, a time when this country is facing a rate of unemployment projected to be in excess of 8 per cent, a time when unemployment in my province is more than twice the national average by the present Statistics Canada yardstick of measurement.

In actual fact the real rate of unemployment in the province of Newfoundland is more like 35 per cent if you consider that we have over 55,000 people out of a work force of 183,000 drawing unemployment insurance benefits at this time.

Another 10,000 people are drawing short-term or able bodied assistance.

In the few minutes I have left to me today I would like to speak in support of and commend to the House the very reasonable and humane amendment put forward by my colleague, the hon. member for Hamilton West (Mr. Alexander). That amendment would provide a lever whereby the minister with the approval of the governor in council and the cabinet would have the discretion of applying that particular provision of the bill, the eight week qualifying period, only to areas where unemployment was critically high. It would give the minister the discretion of having the eight week period in areas designated by him. You could use the unemployment insurance areas that presently exist as a means of measurement. In so doing, the minister would have the discretion of keeping in effect the eight week provision.

I hope that amendment will commend itself to the House. It is a reasonable compromise to those who are enthusiastic about reform and to those of us who believe it is not the time to bring in that particular reform. I hope the amendment put forward by my colleague on behalf of my party will commend itself to members of the House.

I hope it will commend itself to members opposite who come from constituencies in the Atlantic provinces where unemployment is criticially high and job prospects are dismal. I hope it will commend itself to members from the province of Quebec where the problem is equally critical. We have had projections from the C. D. Howe Institute to the effect that unemployment will increase in Quebec to 11 per cent, and in Newfoundland to a total in excess of 14 per cent on an annual basis.

I know that some members opposite feel as I do. Many of them are genuinely concerned. They have to face their constituents. They have the same problem of unemployment that I have in my constituency. If these members feel inclined to support this amendment, perhaps it may even commend itself to the minister. It may even stimulate them to break ranks with their fellows and thus ensure that the amendment will be accepted by the House.

I have talked about the unemployment rate in my province. I can only speak from experience with programs already being administered by the minister. The LIP program, for example, is presently functioning on the basis of high unemployment regions, regions which have unemployment of 7 per cent or 7.5 per cent, which happens to be the national average. These constituencies will receive additional funds. Even on the basis of that methodology, my constituency, which is a way up there, currently qualifies for almost $4 million in LIP grants. That shows the degree of recognition by the government of the unemployment situation which prevails in my province.

● (1750)

It is interesting to note that the last time a government bill was before the House to amend the Unemployment Insurance Act the persons hardest hit were those most severely affected by high unemployment. I refer to the amendment brought down in the fall of 1975. At that time the House was faced with amendments the effect of which was to remove two groups from the eligibility list, first, old age pensioners, and, second, those in that special category who had the right to receive additional unemployment insurance grants because they had five or more dependants.

The region hardest hit by the removal of those two groups from the rolls was, again, the Atlantic provinces. For example, the removal of benefits from those over 65 years of age cost the four Atlantic provinces $7,270,000, broken down as follows: Newfoundland, $1,600,000; Prince Edward Island, $600,000; Nova Scotia, $3 million, and New Brunswick, $3 million. The elimination of the 75 per cent category, that is, those who were able to draw 75 per cent of their insurable income on the basis of having five or more children, cost us even more in terms of the effect on the region.

When you take into account the fact that we live in an area which has the distinction of having the lowest per capita income in the country and the highest per capita cost of living, you can understand the hardship members of these two groups suffer. Yet they are the very people who needed protection most—old pensioners and the heads of large families with five or more dependent children.

I am sure hon. members would be interested if I put on record the average per capita incomes of Canadians in the four provinces by comparison with the national average for all Canadians. In my own province, Newfoundland, it is 31 per cent below the national average. In Prince Edward Island it is 31.4 per cent below the national average. In Nova Scotia it is 21 per cent below, and in New Brunswick 23 per cent below. The loss occasioned by this bill is incalculable.

I would remind hon. members that a bulletin released by the Economic Council of the Atlantic Provinces last November had this to say in reference to the loss to the region because of these measures:

> The loss in total personal income in the region based on December, 1975 average weekly payments will be nearly $49 million. This is a very sizeable loss to the four provinces, representing approximately one per cent of total provincial personal incomes.

A great deal has been said about the change in the qualifying period from eight to 12 weeks. This, of course, would mean an even heavier additional burden on each of those four provinces at a time when they can ill afford it. It removes from benefit those people who presently qualify under the eight-week provision. More than 7,000 people will be involved in Newfoundland. This will have the effect of seriously exacerbating the unemployment situation in the region because of the loss of cash income circulating in those provinces. It will mean further lay-offs as a result of this loss of income.

I hope these factors will be borne in mind by the minister who sat here all day attentively listening to the debate in his own quiet way. I hope he will take these things into account when the bill gets before the committee. I hope he will take into account the seriousness of the unemployment situation in my own province where the rate is, as I say, about 35 per cent. The hon. gentleman can talk all he likes about Canada Works and Young Canada Works and about his new employment

strategy. The fact is, as has already been pointed out, that these programs will be based on statistics supplied by Statistics Canada, which means the awards will be made in my province on the basis of the latest unemployment figures which show a rate of about 14 per cent at a time when the real rate is about 35 per cent.

I am not seeking to criticize or undermine in any way the initiatives already taken. God knows, were it not for the LIP program in the last three years the situation would be even worse than it is. I want to tell the minister I have appreciated the co-operation I have received from him and from his officials, and from the job creation people in his department in my constituency. Under this program we are able to work together to get the best possible use of the dollars spent to produce jobs. I appreciate his co-operation, and I want to say this to him: do not put too much stress on the Canada Works program because, as the hon. member for Cape Breton has said, this program is merely an extended version of the LIP program, its application on a yearly basis. In other words, instead of a million dollars being concentrated in a short time on the critical months of unemployment, the same amount is now to be stretched out over a one-year period. Nevertheless, without initiatives of this kind, the situation would be so much worse. I shall have more to say about this later. I hope that before long we can get the bill into committee and begin a serious study of its consequences upon the hard hit regions of the country. May I call it six o'clock, Mr. Speaker?

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 3, 1977

The House met at 2 p.m.

[*English*]

HOUSE OF COMMONS

USE OF MACE CRAFTED AFTER FIRE OF 1916

Mr. Speaker: With appropriate safeguards of the time set aside for proceedings pursuant to Standing Order 43 and following that for Oral Questions, I would like to indicate to the House two things.

Hon. members will notice at once that the mace in use today is not the mace which ordinarily rests on the table. The reason for that is a decision I made today to resume a tradition which was adhered to, if not initiated, by my very distinguished predecessor, Mr. Speaker Michener. The mace which is now on the table was crafted very quickly after the fire of 1916 so that parliament could continue to sit, the mace as well as the chamber having been destroyed in the fire 61 years ago today.

This mace was crafted so that the Parliament of Canada could sit elsewhere while this chamber was being restored, and that took some four years. During the tenure of Mr. Speaker Michener, this mace was used on the anniversary of that fire. It seemed to me to be a good idea to return to that practice, and so once a year it is hoped that the mace which was crafted for that purpose will be used and accepted by all hon. members on the anniversary of that fire as the symbol of authority, as it was used during those years when parliament had to sit off these premises.

* * *

HER MAJESTY THE QUEEN

ADDRESS OF LOYALTY AND AFFECTION ON TWENTY-FIFTH ANNIVERSARY OF SUCCESSION TO THRONE

Mr. Speaker: I understand that there is a disposition, because of the great significance of the 6th day of this month, being the twenty-fifth anniversary of Her Majesty's succession to the throne, to proceed immediately with the motion standing under government notices of motions in the name of the right hon. Prime Minister (Mr. Trudeau) and that motion reads as follows:

Right Hon. P. E. Trudeau (Prime Minister), seconded by the Leader of the Opposition (Mr. Clark) moves:

That an humble Address be presented to Her Majesty the Queen in the following words:

To the Queen's most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's loyal and dutiful subjects, the House of Commons of Canada in Parliament assembled, beg to offer our sincere congratulations on the happy completion of the twenty-fifth year of Your reign.

The People of Canada have often been honoured to welcome Your Majesty and other members of the Royal Family to our land during Your reign and have witnessed directly Your inspiring example of devotion to duty and unselfish labour on behalf of the welfare of Your People in this country and in the other nations of the Commonwealth.

We trust that Your gracious and peaceful reign many continue for many years and that Divine Providence will preserve Your Majesty in health, in happiness and in the affectionate loyalty of Your People.

That the said Address be engrossed; and

That a Message be sent to the Senate informing their Honours that this House has adopted the said Address and requesting their Honours to unite with this House in the said Address by filling up the blanks with the words, "the Senate and".

● (1410)

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

Some hon. Members: Agreed.

Motion agreed to.

[*Editor's Note: Whereupon Members of the House rose and sang "God Save the Queen" and "O'Canada".*]

ROUTINE PROCEEDINGS

[*English*]

INDUSTRY

REQUEST FOR ASSISTANCE TO LINERBOARD MILL AT STEPHENVILLE, NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. The high unemployment in the province of Newfoundland is threatened even further by operational difficulties being experienced at the Labrador linerboard mill at Stephenville, which threatens direct and indirect employment and lay-offs of some 2,000 citizens. The urgent nature of the problem calls for federal government assistance with marketing, and help with rehabilitation of the operation.

I therefore move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That this House orders that this serious problem be considered as urgent and that consultation be arranged between the federal and provincial departments

concerned to prevent hardships that are already evident by consistent downtime from becoming worse in the very near future.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL HOLIDAYS

PROPOSAL FOR CONSIDERATION OF BILL TO ESTABLISH NATIONAL HERITAGE DAY—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43 I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House proceed, on the calling of the Orders of the Day tomorrow, to the second reading of Bill C-30, so that the said bill can be passed in time to provide for the observance of National Heritage Day on Monday, the twenty-first day of this month.

Mr. Speaker: Such a motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC SERVICE

SUGGESTION THOSE ON BLACKLIST BE GIVEN OPPORTUNITY TO DEFEND THEMSELVES—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of urgent and pressing necessity. Given reports that at least three of the people named on the government's so-called enemies list have apparently had their careers seriously jeopardized, and since they have never been given an opportunity to defend themselves in accordance with the Pearson guidelines, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House advise the Prime Minister of his responsibility to protect basic civil liberties, and that it direct him to contact those named on the list and provide to them evidence for their inclusion on the list and an opportunity to defend themselves.

Mr. Speaker: Presentation of such motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

[Mr. Marshall.]

REQUEST FOR TABLING OF MATERIAL USED IN BLACKLISTING EMPLOYEES—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. Given the fact that government security forces may have obtained some of the so-called enemies list information illegally, that the list was widely circulated to a number of ministers and an unknown number of senior civil servants, and that the existence of such a list and its circulation represents a form of McCarthyism abhorrent to Canadian democracy. I therefore move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the Solicitor General lay before this House, or any committee thereof, any data or material which was used to back up the charges of subversion against 24 Canadians, and evidence that led to arbitrary inclusion or grouping of these people on the EPO list.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

COMBINES

REQUEST FOR INVESTIGATION INTO BELL CANADA'S RELATIONSHIP WITH NORTHERN TELECOM—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the likelihood that telephone subscribers have been forced to pay telephone rates that are too high because of transfer pricing between Bell Canada and Northern Telecom which resulted in Northern Telecom having an after tax return on net investment of 59 per cent in 1975, which was not taken into account in assessing Bell's financial situation when Bell applied for rate increases, and in view of the announcement today that the Restrictive Trade Practices Commission has called into question Bell's relationship with Northern Telecom, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That the Commission hold public hearings on this matter and that Bell's rate increase application be suspended until these hearings are completed.

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

Some hon. Members: Agreed.

Some hon. Members: No.

CANADIAN PACIFIC RAILWAY

REQUEST FOR DELAY IN REDUCTION OF COMMUTER SERVICE IN MONTREAL AREA—MOTION UNDER S.O. 43

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, under Standing Order 43 I will propose a motion of obvious urgency. In view of CPR's intention to drastically reduce the frequency of service along its commuter line in the Montreal area, and of the very real need of commuters in the Vaudreuil-Rigaud area; in view of the government of Quebec study on the province's involvement in urban transportation and of CNR's decision to postpone its projected reduction of services, pending the Quebec study up to July 1; and in view of this government's own recognition of the need for improved urban transportation in this country, I move, seconded by the member for Lachine-Lakeshore (Mr. Blaker):

That the Minister of Transport personally intervene on behalf of all the commuters in the Montreal area and solicit from CPR a postponement of its intention to reduce the frequency of service until the province of Quebec indicates its policy on or before July 1.

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

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: The Tories said no.

Mr. Baker (Grenville-Carleton): You people on the Liberal side said no.

Mr. Paproski: Mr. Speaker, I rise on a point of order. I do not think anybody said no.

Mr. Speaker: Order, please. I distinctly heard a "no" coming from the general region on my left.

Some hon. Members: Oh, oh!

* * *

MANPOWER

PROPOSED RECONSIDERATION OF FORMULA FOR ALLOCATION OF FUNDS UNDER CANADA WORKS PROGRAM—MOTION UNDER S.O. 43

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity having to do with the allocation of funds under the new Canada Works program in the province of British Columbia. Of the nine allocations exceeding $300,000 seven have gone to constituencies currently represented by members on the government side. As I know the minister responsible for this program would not want it assumed that the election of Liberals had a debilitating effect on their constituencies, I move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

Offshore Resources

That this House urge the Minister of Manpower and Immigration to reconsider the formula that has produced this astonishing result.

Mr. Speaker: Order, please. Such motion pursuant to Standing Order 43 can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon.Members: No.

* * *

RESOURCES

REQUEST THAT FEDERAL GOVERNMENT CEASE INTERFERENCE WITH DEVELOPMENT OF RESOURCES OFF COAST OF NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, pursuant to the provisions of Standing Order 43 I request the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the statements of the Minister of Energy, Mines and Resources (Mr. Gillespie) that EastCan Exploration Limited of Calgary is not prepared to go ahead with an exploration program in the waters off the Labrador coast this year because of the present dispute between Canada and Newfoundland over ownership and jurisdiction over offshore mineral resources, despite this area being the current hot-spot for exploration off the east coast, and since the minister states that EastCan is in dispute with the government of Newfoundland over proposed regulations by Newfoundland for the offshore area and that the minister intends to intervene to attempt to settle the alleged dispute, I move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) the following motion:

● (1420)

That this House direct the Minister of Energy, Mines and Resources to cease intervening in the internal affairs of the government of the province of Newfoundland, cease and desist from breaching confidentiality of information given him by oil and gas companies and ensure that exploration continue in the Labrador offshore area by withdrawing claim by the government of Canada to ownership and control over the mineral resources of the Continental Shelf lying off the coast of Newfoundland and Labrador, confirming the province's ownership and thus removing any obstacles to exploration in that area during 1977.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please. The question period will conclude at eight minutes past three.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGATION FORCE ILLEGALLY OBTAINED EVIDENCE FOR BLACKLISTING OF EMPLOYEES—RESPONSIBILITY FOR INITIATION OF INVESTIGATION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Solicitor General. Can he tell the House whether his view of the matter relating to the extra parliamentary opposition list coincides with that of the Prime Minister when he said to the House yesterday that the evidence that was before the solicitor general at the time was obtained through the normal operation of the security services of the RCMP and, further, can the Solicitor General cause an inquiry into the allegations which have been made that such evidence may have been obtained illegally?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, in reply to the first part of the question, I think that in the House yesterday the Prime Minister answered the questions which had then been asked. As for the second part of the question, if the hon. member has some evidence that there was some illegal action in Canada, it is surely his duty to bring the matter to the attention of the authorities. It goes without saying also that he does not have to lay irresponsible charges against the RCMP which has so well served the Canadian people throughout the years. I do not think that his disparagement campaign against the RCMP is in the best interests of the country.

[*English*]

Mr. Oberle: Mr. Speaker, I would of course expect the House to recognize that I am making no accusation—

Some hon. Members: Oh, oh!

Mr. Oberle: —but merely seeking information—

Some hon. Members: Hear, hear!

Mr. Oberle: —which so far has not been forthcoming from any source on the other side. I further ask the minister whether he will give the House an indication, assuming it was the RCMP which assembled the evidence used by the then solicitor general—

Some hon. Members: Oh, oh!

Mr. Oberle: —whether the RCMP acted on their own initiative or whether the initiative came from some department of government, in particular that of the solicitor general?

[*Translation*]

Mr. Fox: Mr. Speaker, the hon. member just said that he is making no accusation but he is prepared to resort to insidious references as he has done with regard to the RCMP. The RCMP did not take any part in any illegal entry, as the hon. member for the Toronto area suggested. The report involved has been prepared by the RCMP. Further, it is not government policy to intervene in RCMP affairs and give them instructions in the preparation of this kind of report.

[Mr. Speaker.]

[*English*]

REQUEST FOR TABLING OF MATERIAL USED IN BLACKLISTING EMPLOYEES

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I may of course have made the mistake of considering that the Solicitor General had the kind of authority—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. If the hon. member has a supplementary question, will he put it forthwith.

Mr. Oberle: Will the Solicitor General undertake to lay before the House or a committee of the House any evidence or material which led to the compilation and circulation of the EPO list. Can he, furthermore, undertake to make a statement to the House in response to widespread reports that extra-legal methods may have been used to assemble the evidence and information which led to the compilation of the EPO list?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, as far as I know the fishing season is not yet opened. Again, perhaps the hon. member will allow me to answer the question. In any event, if I understand correctly, they are not particularly interested in the answers I can give. Perhaps I should have my answers photocopied, put them in a Manila envelope and send them out to the hon. member; he might read them. Mr. Speaker I have nothing to add to the answer I have already given to the hon. member.

* * *

[*English*]

PUBLIC SERVICE

INVESTIGATION OF EFFECT ON EMPLOYEES OF BLACKLISTING—REQUEST FOR REPORT

Mr. Elmer. M. MacKay (Central Nova): A supplementary question for the hon. gentleman. Is he in agreement with his colleague, the Minister of Justice, who stated that any investigation into the circumstances affecting those involved in the EPO list is his responsibility, that is, the responsibility of the Solicitor General, and if so has he begun such an investigation to back up assertions by the government that the list has not impugned the reputation or work relationships of any of those on it?

Hon. Francis Fox (Solicitor General): It has been clearly established on a number of occasions that responsibility for acting on information provided by the then solicitor general rested in the hands of the departments in question.

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR ASSURANCE NO ILLEGAL METHODS USED BY FORCE IN OBTAINING MATERIAL FOR BLACKLISTING EMPLOYEES

Mr. Elmer M. MacKay (Central Nova): I thank the minister for his answer. One further supplementary. Does he have, to date, a scintilla of evidence to indicate that there was any justification for the list? I also want to ask him this: In view of certain unfortunate incidents which have led to a public inquiry in Nova Scotia into RCMP methods in gathering information and also the unfortunate example in Quebec involving the Agence de Presse Libre, is he certain that there were no unusual methods used by the RCMP with respect to this case?

Hon. Francis Fox (Solicitor General): I am informed that no methods of the type referred to were used in the case. The actions to which the hon. member refers indicate clearly that the mandate of the security service is to act within the limit of the law. Should any case be brought to the attention of the government in which it is shown the law was not adhered to, action would be taken.

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT—MEASURES IN AREA OF HOUSING AND MUNICIPAL CAPITAL WORKS TO CREATE JOBS—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. Given the persistence of unemployment—the figure is presently in the neighbourhood of 800,000—will the minister give all members an assurance that in the areas both of housing and of municipal capital works the government will soon announce new federal spending programs to stimulate job creation throughout the country?

Hon. Donald S. Macdonald (Minister of Finance): We have committed ourselves to holding a tight line on additional federal spending. I regret, therefore, that I cannot give the hon. member the assurance he seeks at this time.

Mr. Broadbent: A supplementary to the Prime Minister. Given the attitude of the Minister of Finance, which can best be described as one of benign indifference to the unemployed, and bearing in mind that the Minister of Finance said the other day we might not have a budget until June, and, further, the indication by the Minister of Manpower and Immigration that no further full-employment-oriented programs will be forthcoming from his department, is it the official view of the government that nothing more will be done about unemployment before the next budget?

Right Hon. P. E. Trudeau (Prime Minister): I find it preposterous that the hon. member should suggest that the attitude of the minister toward unemployment is one of benign indifference. This government has been doing everything it possibly can to improve the unemployment situation. But I do not think it will be an exaggeration to say that the hon. member and his party have taken an attitude of open hostility toward the government's fight against inflation.

Some hon. Members: Hear, hear!

Mr. Broadbent: The Prime Minister failed to tell us about any new programs, so I assume we cannot expect anything before June. Does he believe that with real unemployment running at 25 per cent in Newfoundland and 30 per cent in Cape Breton, and with the prospect of an unemployment rate of more than 10 per cent in Quebec, these people will remain idly by while the government does nothing about this serious problem in the first quarter of the current year?

• (1430)

Mr. Speaker: Order, please. The question, needless to say, is somewhat argumentative.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

ALLEGED CONFLICT BETWEEN REGULATIONS AND COLLECTIVE AGREEMENT IN CONSTRUCTION INDUSTRY

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

I wrote to him on November 24, 1976. I wrote to him again on December 10, 1976. On January 24, 1977, I asked him a question on this matter and today I would like to know whether the minister is in a position to give a decision on the case of the 50,000 Quebec workers who so far have been victims of the application of the Unemployment Insurance Act. As a matter of fact, according to the UIC, these people were related to the widespread dispute in the construction industry. Can the minister inform the House on the decisions taken by the UIC in this regard?

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, the appeal procedures are available to those who feel that the decision taken was incorrect. I would hope that if they feel as strongly as the hon. member seems to indicate, they will follow these appeal procedures, which I think are most informal, very, very fair and easy to come by.

[*Translation*]

Mr. Fortin: Mr. Speaker, may I ask a supplementary?

I am very glad to hear the minister say that these workers are in a very comfortable situation but he does not answer my question. I want to know the following: Are there still litigious cases? If I refer to *Hansard* of the House of Commons, page 2269, the minister himself recognized that several other cases had not been settled by the commission at that time. Is the minister responsible for this commission in a position to tell the House that a decision has been taken on these 325 cases?

[*English*]

Mr. Cullen: The latest information I have, Mr. Speaker, is that the backlog of inquiries concerning the dispute was finalized on January 28, 1977 and out of the thousands of cases which were involved there were 325 appeals to the board of referees which have been received and which are currently being processed for presentation.

* * *

PUBLIC SERVICE

INVESTIGATION OF EFFECT ON CAREERS OF THOSE ON BLACKLIST—REQUEST FOR REPORT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the Prime Minister. Yesterday the Prime Minister stated, as reported at page 2634 of *Hansard:*

> Mr. Pearson's guidelines, my own and those of this government, stated that if security information collected by police agencies in some way adversely affects the career of any person, that person should be entitled to refute the information, discuss it, contradict it and so on. I repeat that this circumstance did not arise.

The Prime Minister's opinion as to whether or not the circumstance arose at all in this case is not agreed to or not shared by a number of persons on the so-called list that we have been discussing in the House. Consequently, I should like to ask the Prime Minister whether a case by case review has been conducted into the career paths of those persons listed to determine whether they were in fact adversely affected in some way by the circulation of the list.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member checks my entire answer he will see that I was so informed that persons who were on that list were not adversely affected. By this I meant that a search had been made of the relevant records and that there was no notation against these people that indeed they had been prevented from advancing in any way or been fired. So in that sense my assertion stands; but because of the hon. member's question I will go back and make sure that indeed every record was checked. This is the information that I received.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I appreciate the undertaking given by the Prime Minister, but would he take the second step that seems to be necessary in these circumstances? I put it to him that surely the people on this list ought not to have to rely upon a representation made in this House and ought to be able to examine the list for themselves to determine for themselves, in the circumstances, whether or not their careers have been adversely affected. Is the Prime Minister adverse to allowing those people that right, whether or not in his opinion their careers have been adversely affected?

Mr. Trudeau: Mr. Speaker, I cannot accept the argument of the hon. member. I said yesterday, and I repeat today, that there must be thousands, if not millions, of files with the RCMP concerning many people in Canada and other countries. Until those files become activated in some way and negatively affect the career of a person, I do not think it is a reasonable or acceptable suggestion to make that everyone check with the RCMP to see whether they have a file on them and, if they do, check what is on the file.

POSSIBILITY OF BREACH OF PEARSON GUIDELINES IN CONNECTION WITH THOSE ON BLACKLIST—REQUEST FOR REPORT

Mr. Walter Baker (Grenville-Carleton): A final supplementary question, Mr. Speaker. May I suggest by way of preamble that that seems to offend at least the spirit of the human rights legislation of this government. In any event, may I direct my final question to the President of the Treasury Board. As reported at page 2529 of *Hansard* the minister gave the House an undertaking to report to us with regard to whether or not he had made inquiries through the Department of Justice to determine whether a breach of the Pearson guidelines occurred with respect to any public servant listed on that list. Is he prepared to indicate to the House whether he has in fact made that investigation?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, as I indicated privately to the hon. member the other day, I have taken a preliminary look at the situation. The guidelines were, and quite properly so, issued by the Privy Council office in 1963. There is no mandate for Treasury Board to follow through, even though it is quite obvious that we do have a general, over-all personnel-administrative policy responsibility, but that precise area of potential security is not included therein. Nevertheless, having said that, I have already indicated to the hon. member that some discussions are going on.

BLACKLIST OF EMPLOYEES—REQUEST FOR CLARIFICATION OF PHRASE "SPLIT LOYALTIES"

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Solicitor General. As reported at page 2435 of *Hansard* the minister stated that the recommendations of the then solicitor general "were to ensure that the people understood that they could not be in the government of Canada and have split loyalties at the time". Further the minister said, in reply to a question in the House, that differing philosophic orientations or value systems would not constitute the basis upon which the listing occurred. May I ask the minister to explain to the House what he means by "split loyalties?"

[*Translation*]

Hon. Francis Fox (Solicitor General): I repeat that what I meant, Mr. Speaker, is that when a civil servant or any other public service employee takes the oath of office, he promises never to divulge the gist of documents. Of course he must realize what he was doing when he took his oath of office. It is as simple as that, Mr. Speaker.

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REASON FORCE COMPILED BLACKLIST OF EMPLOYEES RATHER THAN PROCEED UNDER OFFICIAL SECRETS ACT

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. The minister implied in the House that the RCMP had compiled the list on the basis of vital information regarding the release of documents without government authorization. Would the minister explain to the House why the RCMP did not proceed under the Official Secrets Act, rather than electing to choose the McCarthy route?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, hon. members would certainly be well advised to read again the letter which was divulged and made public by their own colleague. This letter did not accuse anybody of anything. Whoever will read it again will realize that, as far as government employees are concerned, the one and only recommendation is that, should there be any doubt about their loyalty, the people in charge should meet them and remind them of their oath of office. Needless to say, people who have taken an oath of office should behave accordingly, even if some of them appear to be sending copies of these documents to members of the opposition who, in turn, do not seem to have any difficulty using them or find anything wrong with receiving them from these people.

[*English*]

Mr. McGrath: A final supplementary question, Mr. Speaker. May I ask the minister whether, since he stated in the House at page 2396 of *Hansard* that the RCMP did proceed on the basis of information which had come into their possession regarding the unauthorized release of documents, he would on his own authority proceed under the Official Secrets Act so that these people on the list would at least have a chance to have their day in court to defend themselves?

● (1440)

[*Translation*]

Mr. Fox: Mr. Speaker, it is once again obvious that the only course which had been recommended by the then solicitor general, who had carried out his duty, that is bring to the attention of his colleagues some doubts in order that the necessary steps might be taken if indicated, was the one and only course open in this case. As a matter of fact, if the hon. member is referring to the RCMP, I must say, as it has already been said in the House, that the solicitor general had then acted on the basis of a report which had been prepared for him by the RCMP and brought to his attention in order that he might take the necessary steps.

[*English*]

PUBLIC SERVICE

ACTION TAKEN BY SECRETARY OF STATE ON BLACKLIST OF EMPLOYEES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. I believe he is behind the curtain, so in his absence I should like to direct it to the Secretary of State whose department is one of the departments involved. On January 26 of this year, and again today, the Solicitor General has indicated that the responsibility with respect to the enemies of the government list was that of each government department to use according to their judgment. I ask the Secretary of State to tell the House, as the minister responsible for one of the departments, if he had communicated with the then solicitor general and if he could let us know whether the employees of his department were apprised of the fact that they might be considered security risks? Has the minister informed himself as to just what action was taken at the time, and could he let us in on exactly what was the procedure adopted with those named on the list?

Hon. John Roberts (Secretary of State): Mr. Speaker, I have no personal knowledge of any such list or of anything that can be remotely described by any reasonable person as such a list. An inquiry has been made within the Department of Secretary of State, but we have been unable to find any information about anything which the hon. member would refer to as the list.

Mr. Hnatyshyn: The Acting Prime Minister has acknowledged the existence of a list in his answers, so I do not think it is fitting for the minister to deny the existence of the list.

Some hon. Members: Oh, oh!

ACTION TAKEN BY MINISTER OF MANPOWER AND IMMIGRATION ON BLACKLIST OF EMPLOYEES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): I should like to address my question to the Minister of Manpower and Immigration and ask him whether or not he has informed himself with respect to the existence of this list, and if he could tell the House and the people of Canada exactly what procedure was used with respect to departmental officials, whether they were informed with respect to the identity of the people on the list or whether the people on the list were informed of the fact that they were on the security list.

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, in view of the importance of this matter I did ask my officials to determine if in fact there was any letter or any indication of this nature that had come to the department. I have asked them to check all the files, both departmental and ministerial, and to date I have not been made aware of any such content.

Oral Questions

KNOWLEDGE OF MINISTER OF LABOUR OF BLACKLIST OF EMPLOYEES—POSSIBLE DISCUSSION WITH FORMER SOLICITOR GENERAL

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Labour. The Minister of Transport said in answer to an earlier question in the House that he does not recall having received a copy of the letter and the list which has been referred to hand-delivered by the former solicitor general. I would like to ask the Minister of Labour, whose reputation up to the time he was giving this answer was for a memory that is not quite as selective as that of the Minister of Transport so far, whether or not he recalls having received this letter and the hand-delivered list from the then solicitor general and whether he had any discussions—I am not asking for the contents of the discussions—with the solicitor general at the time.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, quite frankly I have thought about the situation and I have absolutely no recall of it. This is not to say that it did not happen—

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): I do not recall having received such a letter nor have I any recall of any conversations involving it. As the hon. member knows, it was some time ago.

Mr. Baldwin: I was going to ask the President of the Treasury Board a similar question, but he is not here. This situation will wait.

* * *

CANADIAN BROADCASTING CORPORATION

COMPLAINTS REGARDING CHANGES IN RADIO PROGRAMMING—GOVERNMENT ACTION

Hon. Mitchell Sharp (Eglinton): Mr. Speaker, I should like to address a question to the Secretary of State concerning the CBC.

Some hon. Members: Oh, oh!

Mr. Sharp: Canadians have been—

Some hon. Members: Ask it in caucus.

Mr. Speaker: Order, please. I wonder if I might be permitted to hear the question.

Mr. Sharp: Canadians have had reason to be proud of CBC radio, both AM and FM, and recent programming changes have, in my opinion, greatly reduced its reputation which I would like to see restored.

Some hon. Members: Question.

Mr. Sharp: I would, therefore, like to ask the Secretary of State if he would transmit these complaints to the CBC and report to the House on the reaction.

[Mr. Cullen.]

Some hon. Members: Hear, hear!

Hon. John Roberts (Secretary of State): Yes, Mr. Speaker. I have received a large number of complaints from citizens across Canada. As the hon. member knows, I do not give direction to the CBC in relation to programming, but I have been disturbed by the number and obvious weight of these various complaints. Now that I have the representation of the hon. member, I shall add my own concern and make sure these are brought to the attention of the CBC, and will reply to the hon. member directly.

* * *

MANPOWER

REASON FOR ISSUING PERMITS TO UNITED STATES CONSTRUCTION WORKERS TO WORK IN SARNIA AREA

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, in view of the fact that the most serious problem facing the Canadian people at this point is unemployment and the fact that there are over 750,000 Canadians unemployed—

Some hon. Members: Question.

Mr. Rodriguez: —and in view of the fact that there were some 600 to 900 work permits issued in the Sarnia district to citizens of the United States to work on construction projects in the last little while for such jobs as pipefitters, welders, electricians and carpenters, can the minister tell the House why these work permits were issued when there are so many skilled Canadians unemployed in this country?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I think I will have to speak to the hon. member as a guru and tell him that he failed his transcendental meditation course. He is a little loud here today. What we did in that particular area is that these jobs were made available. We advertised across Canada to see if we could get skilled workers to come in. They would not move from areas as near as Toronto, and because this project was creating jobs for thousands of other Canadians it seemed appropriate to get that construction going.

Mr. Rodriguez: Can the minister inform the House why his department did not use its relocation grants and its mobility grants in offering jobs to Canadian workers in an effort to get them to relocate to this district for these positions?

Mr. Cullen: Once again, Mr. Speaker, the hon. member has to check his facts. Mobility grants are available, but the individuals indicated they did not wish to move because of the cost of room and board in that area. They felt they could probably do better waiting for another job that would come up which might be further away but which would have a longer work attachment.

ALLEGED FAILURE TO ADVERTISE JOBS ON SARNIA PROJECT IN SUDBURY

Mr. John Rodriguez (Nickel Belt): In view of the fact that I checked with the local manpower office for the district of Sudbury and was told that these positions were not telexed to the Sudbury Manpower Office and that there is an abundance of carpenters in the Sudbury area, I ask the minister whether he is prepared to investigate the fact that these jobs were not telexed across the country and offered to unemployed Canadians?

Hon. Jack Cullen (Minister of Manpower and Immigration): When you are looking for pipefitters, you do not advertise for carpenters.

Some hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

LOAN OF DC-8s TO CUBA—REQUEST FOR DETAILS OF ARRANGEMENT

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Prime Minister. The Prime Minister promised to give information and details regarding the loan of DC-8s to Cuba. Is he now prepared to do this?

Right Hon. P. E. Trudeau (Prime Minister): I have answered this question a few times, Mr. Speaker.

Mr. Paproski: Is the Prime Minister prepared to give details of the arrangements by which Canadian DC-8s were used by Cuba, and will he assure the House that the DC-8s were not used to transport troops or military equipment to Angola?

Mr. Trudeau: When this question was first asked several months ago, I gave the extent of my knowledge at the time. If the hon. member is really interested in the answer, he should put the question on the order paper. We can then transfer it to the Crown corporation and get an answer easily.

Mr. Paproski: Ten o'clock, Mr. Speaker.

* * *

● (1450)

MANPOWER

PROVISION OF ADDITIONAL FUNDS FOR TRADES TRAINING IN NOVA SCOTIA—GOVERNMENT POSITION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In light of the information relayed to me in a letter dated January 11 in reply to questions I posed to the minister in a standing committee of this House—and I am thankful for the minister's courtesy and co-operation in providing this information— that $340,000 had been provided for training for trades at the request of the province of Nova Scotia plus $200,000 for living allowances for trainees, and in view of the statement by the minister of labour of the province that this is only part of the funds requested, can the minister advise how soon more funds will be made available to the province so that more people can be placed in training?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I would have to check the data on that, and if the hon. member would write me a letter, I will try to be just as courteous and give him a reply as good as the one I gave to him in the first instance.

Mr. Muir: Considering the fact that the minister of labour of the province of Nova Scotia, when announcing this program, said it would involve 2,000 people and $2 million, and in light of the fact that the last time the minister and I discussed this in the House prior to the Christmas recess the minister of labour of the province said that neither Cullen nor Muir knew what the hell they were talking about, would the minister be good enough to reply to the request of the minister of labour to me, which reads: "I would ask that you use your good offices to press for the approval of more funds for this project"?

Mr. Cullen: It is nice to see that we have a good Grit behind a Tory to get him to work.

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NATIONAL DEFENCE

POLICY OF DEPARTMENT WITH RESPECT TO UNIFORMS FOR CADETS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Minister of National Defence. I would like to ask the minister if he is prepared to reveal to the House the policy of his department with respect to uniforms for cadets, particularly air and sea cadets.

Mr. Speaker: Order, please. The answer to that question ought to be sought in another way.

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AIR TRANSPORT

GOVERNMENT ACTION TO PROVIDE SERVICE IN ATLANTIC REGION

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is for the Minister of Transport. In view of the negative decision handed down recently by the chairman of the air transport committee of the Canadian Transport Commission respecting applications for class II licences for air passenger service in Atlantic Canada, can the minister inform the House what initiatives he will be taking to develop a policy which will bring air passenger service to Atlantic Canada, and further, can he advise if he will be discussing this very important question at the upcoming meeting he is to have with the council of maritime premiers.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the question of routes, of course, goes primarily to the Canadian Transport Commission, which determines public convenience and necessity, and I think that is an appropriate way to move. I will be taking a special interest in the whole question of regional carrier service and third level service in upcoming discussions with the various carriers, and I will be especially interested in seeing whether eventually service could be provided to cities which do not now have it.

The meetings I have with the Atlantic premiers will deal with a wide ranging selection of transport subjects, although rail and road are the key subjects rather than air.

DATE OF ANNOUNCEMENT OF SERVICE TO WINNIPEG, BRANDON, YORKTON AND SASKATOON—DURATION OF SUBSIDY PAYMENTS TO CARRIER

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I also have a question for the Minister of Transport, and it has to do with carrier service between Winnipeg, Brandon, Yorkton and Saskatoon. In view of the fact that many expected that an announcement would have been made as to the air carrier which will be servicing this area, and in view of the fact that it appears that the minister is still taking applications, what target date has he set for the announcement as to when the carrier service might be provided in that area?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, following the receipt of proposals from various carriers and the examination of those proposals by the Canadian Transport Commission, I was able to determine the amount of assistance which would be required over a two year period in order to assure five years of service on a variety of routes and combinations of service. I have now made this known to the most relevant carriers and also through public notice to all other interested ones. I have asked them to put in applications during the month of February for licences which, of course, is a ncessary procedure and which had not been a part of the original flow of information. I anticipate that carriers will put in their applications within that period. I anticipate that the Canadian Transport Commission will move expeditiously because of the work which has already been done, and therefore I hope that there may be a decision by, perhaps, summer.

Mr. Korchinski: As a result of the decision, will the subsidy be in effect for five years rather than the two years the carriers previously expected it would be?

Mr. Lang: No, Mr. Speaker, that is not accurate. I think there may have been a press report which carried that implication, but in fact the subsidy payment is a payment to be made over a two year period. However, it is our intention to get a commitment from the carriers to provide service for five years so that they will be eligible for those payments.

FISHERIES

PROGRESS IN DETERMINING STOCKS—GOVERNMENT POSITION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Minister of Fisheries. In view of the closure of a fish processing plant in Newfoundland and the curtailment in January of fishing operations at Canso for a period of time due to questionable total allowable catches as allocated by the minister and his officials, what progress is being made in determining those factors which affect changes in abundance as well as in obtaining an accurate fish stock assessment within our declared 200-mile zone? Obviously, these facts must be known before we can declare any stocks surplus to Canadian needs.

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I certainly do not agree with the reflection on the reliability of the scientists. It is because we know that some of these stocks are badly depleted that we are trying to effect conservation measures. We have set low allowable catches, which obviously are having some impact, albeit a negative impact.

In the matter of the Cape Breton industry some slight adjustments have been made which will allow some vessels which have absolutely no alternative to do some fishing. In fact, they have already gone back.

In the case of the plant referred to by the hon. member, the specific industry has not availed itself of what it has, which is a quota of one trip per month. We hope that that will be done soon, and we are considering adjustments. In fact, I hope to meet with some officials who are returning from Newfoundland later this afternoon.

* * *

IMMIGRATION

REASON FOR ADVERTISING IN UNITED KINGDOM FOR WORKERS FOR NOVA SCOTIA

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Minister of Manpower and Immigration, and it is supplementary to the questions asked by the hon. member for Nickel Belt and by the hon. member for Cape Breton-The Sydneys. I received a copy of an advertisement placed in the *Daily Mirror* of London, England calling for maintenance workers, fitters and a project engineer for Nova Scotia. I would like to ask the minister if it is the policy of his department to grant work permits so that European workers can come and work in areas where there is 15 per cent unemployment.

Mr. Muir: We've got over 30 per cent.

Hon. Jack Cullen (Minister of Manpower and Immigration): No, Mr. Speaker.

Mr. Hees: Why did you do it then, Bud?

Mr. Friesen: I wonder if the minister would make sure that workers across Canada are aware of this opportunity, and would he also provide the same benefits this employer is obviously providing, that is, permanent employment and relocation benefits?

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

* * *

MANPOWER

CANADA WORKS PROGRAM—ALLEGATION LIBERAL RIDINGS RECEIVE MORE FUNDS THAN CONSERVATIVE RIDINGS

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is also for the Minister of Manpower and Immigration. In view of the fact that on a Canada wide basis Liberal ridings receive in excess of $50,000 more per riding compared with Conservative ridings under the Canada Works Program—

Some hon. Members: Oh, oh!

An hon. Member: The old pork barrel.

Mr. Hees: Dirty politics.

Mr. Elzinga: With these figures in mind, can the minister give this House the assurance that no pork-barrelling was involved in a decision which produced the formula—

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

* * *

ENVIRONMENTAL AFFAIRS

REASON KITIMAT PIPELINE NOT SUBJECT TO ORDINARY ENVIRONMENTAL ASSESSMENT REVIEW PROCEDURE

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of the Environment. It involves the application for an oil pipeline terminal at Kitimat on British Columbia's west coast. Can the minister tell the House why this application and the maritime approach routes are not subject to the ordinary environmental assessment review procedures as laid down by the government?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I do not understand clearly the hon. member's position. The on-land pipeline is a matter upon which the Energy Board must rule. We have said clearly that we would make available and we have offered the Energy Board all the environmental information we have.

As to the matter of the tanker approach, my colleague, the Minister of Transport and myself have been having some discussions. We favour public hearings and full discussion of this item. I do not understand why the hon. member is complaining.

• (1500)

Mr. Fraser: A supplementary question, Mr. Speaker. It is my understanding that there are environmental assessment review procedures laid down by his department. It is also my understanding that this particular pipeline does not come under that set of guidelines. Can the minister explain to the House why there is a different procedure involved in this case from those cases which would be subject to the environmental review assessment procedure?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I can certainly check the technical details of why this would not be included under what is called the EARP process, the environmental assessment review process. It is because of our feeling that this would not enter the guidelines of the EARP process that we will be moving forward with a proposal to have full public hearings.

* * *

INDUSTRY

SHIPBUILDING—REQUEST FOR ASSISTANCE—GOVERNMENT POSITION ON PROPOSALS OF ASSOCIATION

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Despite the fact that the 13 per cent construction subsidy available under the shipbuilding industry assistance program has now been extended to cover conversion of existing ships as well as new ship construction and this assistance, valuable as it is, will only be of limited value to the shipbuilding industry as a whole, what other assistance does the minister contemplate in order that this valuable industry may maintain the 13,000 jobs which are in danger of being reduced by half because of the lack of work orders?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I am aware of this problem. Of course I am grateful to the hon. member for recognizing that we took action with a view to improving the situation, but more needs to be done. We are now considering this problem. I must say to the hon. member that this is an extremely difficult problem because of the world situation in shipbuilding, and also of the low demand; consequently, I am not sure that, for the time being, a change in the rules could improve the international situation.

[*English*]

Mr. Mitges: A supplementary question, Mr. Speaker. I wonder if the minister would give even more consideration to the many worth-while suggestions made by the Shipbuilding and Repairing Association, proposals which if implemented would go a long way toward keeping this important industry viable and help it compete with heavily government-subsidized shipbuilding industries of foreign countries?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I had the opportunity to meet once or twice with officials from the Canadian Shipbuilding and Ship Repairing Association and particularly some members of this association. We are now considering their suggestions and if this leads us to a new policy, I will announce it in the House as soon as possible.

* * *

UNEMPLOYMENT INSURANCE

ALLEGED FALSE PUBLICITY CONCERNING BENEFICIARIES

Mr. C. A. Gauthier (Roberval): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration.

Is the minister aware of a mendacious and outrageous publication against the unemployed which has just been issued in his department—and I sent him a copy—and which shows an unemployed lying in the sun with a soft drink and a bag of chips, and another who leaves on a honeymoon trip at the age of 65 with his meager three weeks unemployment benefits? Will the minister take immediate action to have those horrors removed?

* * *

[*English*]

IMMIGRATION

REASON FOR DENYING ENTRY TO PROFESSOR GUNDER-FRANK

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Manpower and Immigration and my office gave him notice of it a few days ago. Would the minister at this time give the House an explanation for his department's actions in denying Professor Gunder-Frank entry into Canada to give the keynote address for the Queen's University symposium on "Canada and the Third World"?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I thank the hon. member for giving me advance notice of this particular question. The information I have received is confidential, unfortunately, so I cannot reveal the details. However, I have gone to the appropriate officials and have checked the reports over carefully. In the final analysis, I regretfully had to say no.

Mr. Hogan: Mr. Speaker, I should like to put a supplementary question to the Solicitor General. Since Canada is a signatory to the Helsinki accord and part of that accord was that this exchange of lecturers would be increased among all signing countries, and since Canada and West Germany are two of the signing countries and Professor Gunder-Frank comes from West Germany and also since Dr. Sinclair of Queen's University has in effect called this an interference by the Department of Manpower and Immigration in academic freedom at Canadian universities, can the minister offer an explanation?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I am somewhat at a loss to understand why the question is addressed to me. The question of admitting people to this country, no matter what the purpose, relates entirely to the responsibilities given by this House and parliament to the Minister of Manpower and Immigration.

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NATIONAL DEFENCE

INCREASE IN STRENGTH OF FORCES—POSSIBILITY OF ESTABLISHING NATIONAL YOUTH GROUP—GOVERNMENT ACTION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, a question for the Minister of National Defence. At the Conference of Defence Associations the minister promised to try to get authority from cabinet for an increase of 4,000 or 5,000 in the authorized strength of the forces. Can he advise the House if he has yet made his presentation to cabinet and if so, what the result was? If not, can he inform the House when he intends to fulfil his commitment to the conference?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, it is not the policy of any member of cabinet to indicate when a certain matter is going before cabinet or when it is not. I am doing the job to the best of my ability, and I intend to continue doing that.

Mr. McKinnon: A supplementary question, Mr. Speaker. There are persistent rumours that the minister is attempting to get approval to set up a national youth group sometimes referred to as "Barney's Brownies", a kind of sanitized and militarized version of the Company of Young Canadians. Could the minister inform the House if this is so and could he also tell the House the projected cost of the organization and which minister is to be responsible for the program?

Mr. Danson: Mr. Speaker, when I am in a position to make an announcement I shall make an announcement.

* * *

CANADA LABOUR CODE

POSSIBILITY OF AMENDMENT TO PROHIBIT DISCRIMINATION AGAINST WORKERS WITH CONTROLLED ILLNESSES

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, may I put a question to the Minister of Labour? In view of the fact that the Canada Labour Code does not cover all forms of discrimination, and in view of the fact that in the last month there has been some evidence of discrimination by industries falling under federal jurisdiction, will the minister be introducing amendments to the Labour Code to rule out the discrimination against people with controlled illnesses?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am aware of the matter the hon. member is talking about. We are investigating this in terms of the package of amendments we have, as to whether we should provide prohibition against discrimination in matters of certain illnesses and I hope to do this very shortly. I believe the hon. member is referring to diabetes.

Mr. Dick: Yes.

Mr. Munro (Hamilton East): Mr. Speaker, I would also indicate that I saw a press release issued by the hon. member to the effect that we were insensitive to this concern and we were not doing much. That is contrary to what I have advised the hon. member. We are very concerned about the matter and hope to do something about it.

* * *

HUMAN RIGHTS

SUGGESTED AMENDMENT OF DEFINITION OF PHYSICAL INFIRMITY CONTAINED IN PROPOSED LEGISLATION

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to address a supplementary question to the Minister of Justice who has indicated to me that the topic would be covered in the proposed human rights legislation. According to clause 20, however, the definition of physical infirmity would not include a controlled illness. I wonder if the minister would introduce an amendment when the bill is brought forward?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I really did not hear the hon. member's previous question but obviously the clause relating to the handicapped was designed to go as far as we felt we legislatively could by way of definition. I will be happy to listen to the hon. member's remarks during second reading debate and when the bill is in committee.

DATE WHEN PROPOSED LEGISLATION WILL BE DEBATED

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, could I address a supplementary question to the President of the Privy Council? In view of the fact that the human rights legislation has been languishing on the order paper since July, 1975, could the minister indicate when the bill is to be called?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I hope to call it next week.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, could I ask the government House leader to confirm that the business for today will be a continuation of committee of the whole proceedings on Bill C-22? Could I also ask him what he plans for tomorrow and to give an indication of the work for next week, and whether he is prepared to designate any opposition days?

• (1510)

Mr. MacEachen: Mr. Speaker, we will continue discussion of the Income Tax Act today in committee of the whole, and tomorrow if necessary. The item to be called after the income tax bill will be the Old Age Security Act amendments, then the human rights, immigration and Auditor General bills. Thursday next, February 10, I wish to designate as an opposition or allotted day. The hon. member has made a number of proposals with respect to allotted days and I might indicate to the House that he has proposed Tuesday, February 15, and Wednesday, February 23, as well as other dates in March. They certainly will be considered. At present I should like to designate only next Thursday as an allotted day. Later designations will be made known.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on the same point of order. The government House leader will not be surprised if I ask him again when he is going to call Bill C-30 which includes, among other things, a provision for National Heritage Day. I realize that he keeps saying he does not think the bill will get through, but unless he is prepared to call it and find out if there is opposition to it we can only assume that the government is not interested in the bill. Seeing that it is a government bill, will he call it soon?

Mr. MacEachen: Mr. Speaker, if I could have the assurance that the bill the hon. member asks me to call soon would pass in a day or so, I would be glad to call it.

Mr. Basford: Let's have some human rights legislation.

Mr. MacEachen: But there is every indication that it would not pass in that time and I do not give it the same priority which I give the bills I have already mentioned.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, since the government House leader has our assurance that we would let Bill C-30 pass quickly, from whom has he had word that it would not pass?

[*Translation*]

Mr. Gauthier (Roberval): On a point of order, Mr. Speaker. Concerning the question asked earlier, it looks as if the interpretation did not reach the minister . . .

Mr. Speaker: Order. The hon. member for Humber-St. George's-St. Barbe is recognized.

[*English*]

Mr. Marshall: Mr. Speaker, I wonder if the President of the Privy Council could indicate if consideration has been given recently—this matter has been under consideration for the past few years—to bringing forward amendments to the Pension Act in order to help the widows of veterans who are receiving pensions of less than 48 per cent.

Mr. Basford: Let's have some human rights legislation.

Mr. MacEachen: No, Mr. Speaker, no pension legislation is proposed except, as I understand, the amendment to the Pension Act which is already on the order paper.

Mr. Knowles (Winnipeg North Centre): The hon. member was talking about war pensions.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I rise on the same point of order. There was some disposition on the part of the Standing Committee on National Resources and Public Works to have a reference to it in order to review the general energy situation. I believe the Minister of Energy, Mines and Resources was agreeable to that proposition. Can the President of the Privy Council say if such a reference is likely to be made in the near future?

Mr. MacEachen: Yes, Mr. Speaker, such a reference will be made. The hon. member is joining in representations which have been made vigorously by the chairman of the committee, and I intend to have the reference made soon.

Mr. Oberle: Mr. Speaker, with your permission I should like, as a point of order, to make a correction to *Hansard*.

Mr. Speaker: Order. please. Hon. members will realize that the point of order raised by the hon. member for Grenville-Carleton is one that is raised every Thursday at the conclusion of the question period and has to do with the business of the House for the forthcoming week. I would prefer to be sure that we have laid that point of order to rest before considering other points of order. The hon. member for Prince George-Peace River will be recognized on motions.

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, I should like to point out that when I put my question, the Minister of Manpower and Immigration (Mr. Cullen) did not have time to get the interpretation. I do not want to blame you, but I do think the minister heard the interpretation too late and was getting ready to answer when you gave the floor to another hon. member. I would appreciate it if the minister could give me an answer today with regard to that advertising folder.

[*English*]

Mr. Cullen: No, Mr. Speaker. I understood the hon. member, as I always do. I understand him either with or without translation, but I did not have the answer at the time and I thought I would let the matter go.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Second report of Standing Joint Committee on Regulations and other Statutory Instruments—Mr. McCleave.

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ANTI-INFLATION ACT

TABLING OF REFERENCES TO ADMINISTRATOR RESPECTING CITY OF MEDICINE HAT, PERTH PUBLIC UTILITIES COMMISSION AND DIRECT FILM INCORPORATED

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to table references under the Anti-Inflation Act to the administrator with regard to the city of Medicine Hat, Perth Public Utilities Commission and Direct Film Incorporated.

* * *

UNEMPLOYMENT INSURANCE

TABLING OF REPORT ON COMPREHENSIVE REVIEW OF PROGRAM

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, under the provisions of Standing Order 41(2) I wish to table in the House of Commons today the report on the comprehensive review of the Unemployment Insurance Program in Canada, in the two official languages.

* * *

[*Translation*]

CRIMINAL CODE

AMENDMENT RESPECTING OFF-TRACK BETTING

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary for External Affairs) moved for leave to introduce Bill C-391, to amend the Criminal Code (off-track betting).

Mr. Speaker, first of all I must make one correction: the seconder of the motion is Mr. Serge Joyal, the hon. member for Maisonneuve-Rosemont.

Mr. Speaker, in 1967 I had the honour of introducing for the first time a bill to legalize off-track betting. Consequently, the year 1977 is this bill's tenth anniversary. Through the years I introduced a series of identical bills and a notice of motion to that effect.

The main objectives of this bill, both short and long-term, are as follows:

First, to give the province of Quebec an additional source of revenue to pay off the Olympic Games debt, as a counterpart to the income provided by the federal institution Loto Canada.

Second, to create a new source of income for all provinces. Third, to increase federal involvement in improving horse stock. Fourth, to create employment.

Mr. Speaker: This is time merely to explain the purpose of the bill and not go into debate.

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

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MOTOR VEHICLE SAFETY ACT

AMENDMENTS AND DEFINITIONS

Hon. Otto E. Lang (Minister of Transport) moved for leave to introduce Bill C-36, to amend the Motor Vehicle Safety Act.

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

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate to acquaint this House that the Senate do agree to the address to Her Most Excellent Majesty the Queen, offering congratulations on the happy completion of the twenty-fifth year of Her reign, and have inserted in the blank spaces therein the words "the Senate and." The message is as follows:

● (1520)

Resolved—That the following Address be engrossed and presented to His Excellency the Governor General, namely:

To His Excellency the Right Honourable Jules Léger, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, upon whom has been conferred the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

MAY IT PLEASE YOUR EXCELLENCY;

The Senate of Canada, in Parliament assembled, have agreed to an Address to Her Most Excellent Majesty the Queen, offering to Her Majesty our sincere congratulations on the happy completion of the twenty-fifth year of Her reign, in the manner set forth in our Joint Address hereto attached, and respectfully request that Your Excellency will be pleased to transmit the said Address to Her Majesty the Queen.

ORDERED—That the Clerk go down to the House of Commons and acquaint that House that the Senate have passed an Address to His Excellency the Governor General respectfully requesting that His Excellency may be pleased to transmit our Joint Address to Her Most Excellent Majesty the Queen offering to Her Majesty our sincere congratulations on the happy completion of the twenty-fifth year of Her reign, and more particularly set forth in the said Joint Address, and request the House of Commons to unite with this House in the Address to His Excellency the Governor General by inserting the words "and Commons".

Hon. Donald S. Macdonald (Minister of Finance), seconded by Mr. Joe Clark (Leader of the Opposition), moved:

That this House do concur in the address of the Senate to His Excellency the Governor General.

Motion agreed to.

QUESTIONS ON THE ORDER PAPER

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would ask that all questions be allowed to stand today.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Monday, January 31, consideration in committee of Bill C-22, to amend the statute law relating to income tax—Mr. Macdonald (Rosedale)—Mr. Laniel in the chair.

The Chairman: Order, please. The House again in committee of the whole on Bill C-22, an act to amend the statute law relating to income tax. When the committee rose at the last sitting, clause 21 was under consideration.

On clause 21.

Mr. Saltsman: Mr. Chairman, at the last sitting I raised a question with the minister which is recorded at page 2571 of *Hansard* for January 31. I asked whether he had some information. The exact quote is as follows:

It is therefore important to know to what families this benefit is going according to size of family income. Does the minister have this kind of information for us?

I also entered a reservation; I pointed something out to the minister which all of us know, namely, that a lot of second income, especially in the middle and upper income groups, is earned on a part-time basis. Therefore, it is important to note the number of hours worked for the income in order to relate it to the sort of general family income, or know it by family income rather than by individual income. The minister invited me to look at the volume on taxation statistics, 1976 edition, which because of compilation relates to 1974, table 2. I took up the minister's invitation, as I always do. I always welcome the minister's advice on matters of this kind. As I anticipated, it is not possible to come up with an answer on child care expenses because it does not relate to family income. In addition, there are so many part-time incomes involved that it would not prove a point one way or another to use the statistics.

Looking at the table and making some comparisons, it is interesting how graphically it demonstrates the kind of argument we have been trying to make about the different kinds of tax benefits and who benefits from these taxation measures. There is the one that I described under child care expenses, where it is impossible to come to any firm conclusion on the

basis of the evidence, the way that it is collected and compiled. In other areas it is possible to come to some conclusion. There are areas where it is quite obvious that the income tax system works with considerable fairness. They are not any of the measures presently before us.

I wish to illustrate the difference between how these measures are grossly unfair in comparison to other income tax deductions which have an element of fairness and relate to actual incomes and percentages that are going to people in various income categories. The one that jumps out is not really a deduction although it is called a deduction. It is a kind of tax credit because everyone gets it; it is a standard deduction. If we look at the table for the standard deduction, we find that the class of people with incomes to $5,000 who reported losses amounts to 38.4 per cent of the taxpayers in that group. Under the standard deduction that group receives 40.8 per cent of the benefits, which is quite fair.

In the $5,000 to $10,000 income class, which comprises 31.5 per cent of taxpayers, under standard deductions that group gets 32 per cent from the benefits. Again, that is fair in its relationship to the group of taxpayers. In the $10,000 to $15,000 income bracket, which comprises 18.7 per cent of the taxpayers, that group gets 18 per cent. In other words, the first three groups are virtually bang on. In the $15,000 to $20,000 of income class, which comprises 6.8 per cent of the taxpayers, that group receives 6 per cent of the benefits; again, a fair relationship to the size of the group and to the actual benefits they receive. In the $20,000 to $25,000 income class, which comprises 2.2 per cent of taxpayers, that group gets 1.7 per cent of the benefits, something less than the actual size of the group. In the $25,000 to $50,000 income class, which comprises 1.9 per cent of the taxpayers, they get 1.25 per cent of the benefits, somewhat less than the size of the group. In the $50,000 and over class, which comprises 0.4 per cent of taxpayers in Canada, under standard deductions they get 0.2 per cent of the benefits.

That is an example of a benefit in the income tax system which is roughly equivalent and fair virtually all the way through, give or take one or two percentage points on each side. This is really a kind of tax credit. I wish to compare that to something which is gross beyond belief when it comes to fairness. I am looking at the retirement savings plan premiums. With your permission, Mr. Chairman, I would like to hand one of these sheets to the minister who will be here all afternoon. He may want to make a quick study of these figures to check their accuracy and make some comment on them. I have given the example of the standard deduction, stating that it is fair all the way through as it relates to the percentage of benefit going to a group, and the actual percentage as a group of taxpayers. We now look at the retirement savings plan premiums. Under the column of loss to $5,000, which represents 38.4 per cent of the taxpayers in Canada, the amount of the benefit this group gets is less than 1 per cent: the exact figure is 0.92 per cent.

[Mr. Saltsman.]

• (1530)

This is exactly what we have been trying to say throughout the debate. This kind of benefit does not help people in the lower income categories because they have no income to offset RRSPs or else their incomes are so low that savings are minimal. They represent 38.4 per cent of the taxpayers and they get only 0.92 per cent of the benefits. In the income class from $5,000 to $10,000, representing 31.5 per cent of taxpayers, benefits received amount to 10.18 per cent. In the $10,000 to $15,000 income class, which represent 18.7 per cent, this group of taxpayers gets 20 per cent of the benefits, roughly equivalent to the size of the group.

It is interesting to find, as one looks through these examples, that this is the one group which is roughly in balance. This is true of the standard deduction, certainly, because everyone is in balance there. But with regard to virtually every program this group receives its percentage of the benefits. But the groups below get less and the groups above get far more. If we turn to the $15,000 to $20,000 income class, which represents 6.8 per cent of the taxpayers, we find they get 20.6 per cent of the benefits, three times as much as those in the $10,000 to $15,000 class, and an incalculable percentage as compared with those whose incomes are less than $5,000. Turning to the group getting between $25,000 and $50,000, representing 1.9 per cent of taxpayers, we find that this 1.9 per cent is getting 24.5 per cent of the total benefit. When we come to the income class receiving $50,000 and more, a class which represents 0.4 per cent of taxpayers, we see that this group gets 8.6 per cent of benefits, roughly 16 times what one would consider to be a fair percentage.

In our argument up to the present we have used tables to show that people at certain income levels get $200 in benefit, say, and that people at higher income levels get twice as much, and so on. But I do not believe anything shows the inequities so graphically as these tables. Some programs under the Income Tax Act are reasonably fair, but others are grossly unfair. The significant thing is this: the programs which are really out of proportion are the ones for which the minister is pushing hardest. Indeed, he has to bring in closure to ensure that they will take effect.

I should now like to give the committee some further examples. The interest income deduction provision tends to be reasonably fair and progressive. People with less than $5,000, representing 38.4 per cent of the taxpayers, receive 27.67 per cent of the benefits. That is not quite in line with their numbers in percentage terms, but it is much better than the 0.9 per cent they get under the retirement savings plan. Turn, now, to the group getting between $5,000 and $10,000. In interest income deductions they get 29.3 per cent, again roughly in line with their percentage as a group. If we go to the $10,000 to $15,000 income class we find they receive roughly 30 per cent of the benefits, which again is roughly in line. But even when we are talking about a reasonably progressive program, the moment we move to the group getting between $15,000 and $20,000 the figures begin to spread apart, because this group, representing 6.8 per cent, winds up with

10.4 per cent of the total benefit. The 2.2 per cent of taxpayers in the $20,000 to $25,000 group wind up with as much as 4.7 per cent, and in the $25,000 to $50,000 group, 1.9 per cent wind up with 5.5 per cent of the benefits. This is twice as much as its numerical percentage should entitle it to.

As for those with $50,000 or more, even under the terms of this interest income deduction which was brought in essentially to compensate for RRSPs, benefits from dividends, and so on, which the low income earners were not supposed to get, the 0.4 per cent of taxpayers receiving this high level of income still get 1.6 per cent of the benefits, four times as much as their numerical percentage would indicate they were entitled to, in our view. So even with respect to provisions which are supposed to redress the balance and make up for the benefits the rich are getting in other ways, the rich do not fare badly.

Let us turn, now, to consider the item "Other expenses of employment". This is an interesting example to take. I have given the figures with regard to the general expenses allowance which is $150 for everyone. But looking at the other items one finds the same "askewness" in terms of the number of taxpayers in certain groups and the benefits they receive. But those in the income class getting less than $5,000, representing 38.4 per cent, receive 1.93 per cent of the benefits from "Other expenses of employment".

I assure hon. members that if they go through these figures, they will find they are running roughly true at every level because this group is consistently getting the least benefit in relation to its percentage of the population. But as we move into the higher income ranges we find the picture changing. Those in the $20,000 to $25,000 class, which represents 2.2 per cent of the taxpayers, are getting 12 per cent of the benefits here. They are getting extra benefits because they are able to make deductions which the ordinary worker is unable to make.

If we go to those receiving between $25,000 and $50,000, representing 1.9 per cent of taxpayers, we find they are getting 19 per cent of the total benefits under this provision for other expenses of employment, while those receiving $50,000 and over, representing 0.4 per cent, are getting 6 per cent of all the benefits, some 15 times more than their percentage as taxpayers would seem to justify.

Even when it comes to medical claims it is still the rich who benefit most. One might ask why. Are the rich less healthy than the poor? One would think the opposite was the case. Do the rich suffer from some special, esoteric forms of sickness to which the poor are not subject, and do they, as a result, spend more on medical treatment? This does not appear likely to me, and I do not think experience would suggest it. Yet when we look at the medical claims we find that the group receiving less than $5,000, and representing 38.4 per cent of taxpayers, gets only 17.25 per cent of the benefit package. From $5,000 to $10,000 it is roughly equal. The position is the same from $10,000 to $15,000, but when we go from $15,000 to $20,000 the pattern emerges as before. While this category represents only 6.8 per cent of the taxpayers, these taxpayers are getting 10.7 per cent of the benefits. Then when we move to the $20,000 to $25,000 income group, representing 2.2 per cent of taxpayers, they receive 5.9 per cent of the benefits, I suggest double the benefits that their position in the tax structure indicates is fair. Those in the $25,000 to $50,000 category, representing 1.9 per cent of taxpayers, are receiving 8.1 per cent of the benefits in terms of medical claims that are deducted. The $50,000 and over group, representing 0.4 per cent of taxpayers, receive 4.5 per cent of the benefits, which is 20 times as much as the benefits that go to people in the lowest income category. That is the effect of these kinds of deductions.

• (1540)

The minister may say—I hope he will reply—that this is a characteristic of the progressive income tax system; that the more money you make, the more benefits you should receive. If that were so, the percentages should remain constant. It seems grossly unfair that one group of people should be collecting infinitely more by way of benefits under our tax system than any other group; really these kinds of deductions are subverting the progressiveness of the income tax system.

When you have made all these deductions, Mr. Chairman, and put in all these claims, the income tax system does not look all that steep anymore. I think this is a very graphic way of demonstrating the point that we are trying to make in this debate, which is that the government's approach to the problem is wrong. There are, in fact, ways to do this properly. I have already pointed out that allowances like the general expense allowance offer equal opportunity to people in all income groups, and this seems to me to be fair.

An hon. Member: Why do you say that?

Mr. Saltsman: Because I think society is far better when that kind of fairness is perceived to exist in the taxation system.

Mr. Lambert (Edmonton West): That is egalitarianism. It is not worth the paper it is written on.

Mr. Saltsman: That is right, it is egalitarianism. I know that my hon. friend from Edmonton West does share my philosophy, but what I do not understand is how my distinguished friend can sit there listening to what I am saying and not take public exception to it by standing up and making a speech.

Mr. Lambert (Edmonton West): I intend to. I am just waiting for you to sit down.

Mr. Saltsman: Then I welcome that. That is what this place is all about.

The Chairman: Order, please.

Mr. Saltsman: I always like interventions from my hon. friend.

The Chairman: Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Macdonald (Rosedale): Mr. Chairman, I am obliged to the hon. member for Waterloo-Cambridge for having sent over

his table of figures. I think the interesting thing is that the table, far from proving his argument or stating the reason that he and his colleagues have for making the point they have for the last four or five hours, proves the very opposite. I do not want to distort the hon. gentleman's argument, but I will state it as I see it, and I am sure that if he feels that he should respond he may find time to do so.

The first thing that is rather interesting about this table is that while he has put in a series of comparative figures he has left out one very important series, very important in terms of retirement income. He has retirement savings plans premiums in the table, but not registered pension plan premiums. Who are we talking about when we speak of registered pension plan premiums? We are talking about the union worker, the blue collar or white collar worker, the man on the assembly line, the municipal clerk, the clerk in the federal public service, the school teacher, and so on.

The interesting thing about this—and these figures are on record in the earlier debate—is that with regard to retirement incomes the weight is heavily balanced in favour of those with incomes less than $15,000. Just as a quick estimate, something over 60 per cent of those with incomes of less than $15,000 make up this particular group. These figures have been left off this particular list, and if we are talking about registered retirement savings plans I think we should also take account of registered pension plans.

Let me take a look at the basis for his argument, Mr. Chairman. The hon. member says that he finds treatment of standard deductions equitable and fair and he has no quarrel with it. Let us compare it with child care expenses which he finds to be perverse in this respect.

Mr. Saltsman: So much of this results from part-time employment.

Mr. Macdonald (Rosedale): I suppose that if there is so much part-time employment one can argue that from both ends, the lower and the upper end of the income scale. However, for those who do report it, 25.7 per cent are claiming child care expenses among the income group up to $5,000; the standard deduction is claimed by 40.8 per cent of this group. So clearly in that first category of taxpayers there are more people taking advantage of the standard deduction in the lower income group than is the case with regard to child care expenses.

However, the situation is quite dramatic if you include those in the group earning up to $10,000 as well, which includes those with very marginal low incomes right up to those who are not really very well paid in the public service or in many private firms, particularly in small firms. You then find that 51 per cent of a group which comprises 31.5 per cent of taxpayers take advantage of the deduction for child care expenses.

Therefore, Mr. Chairman, when you aggregate the two groups claiming child care expenses you see immediately that 77 per cent of a group representing about 70 per cent of taxpayers take advantage of this deduction. However, with regard to standard deductions, which the hon. gentleman found admirable, only 72 per cent of the same group were treated that way. So that on the basis of the figures presented by the hon. gentleman, if standard deductions are a fair and reasonable way of treating people, at least in those two lowest groups, then those drawing child care expenses are treated even more reasonably.

If we go to the other end of the spectrum, the hon. gentleman and his colleagues have been arguing that those at the upper end of the income scale have been getting a greater benefit, per group, than those at the lower end. With regard to child care expenses, for example, those earning between $20,000 and $25,000 a year, who represent 2.2 per cent of taxpayers, are getting 0.9 per cent of the benefit, and those earning between $25,000 and $50,000, representing 1.9 per cent of taxpayers, also get 0.9 per cent. Those earning $50,000 and over, representing 0.4 per cent of the taxpayers, account for 0.17 per cent of the total amount of deductions for child care expenses.

I am obliged to the hon. gentleman for his figures, but it seems to me that they show that the system, at least in regard to child care expenses, is not weighted in favour of the upper income scale earners, as is alleged by the hon. gentleman, but rather is most heavily weighted in favour of those at the lower end of the income scale, and more heavily weighted than standard deductions which the hon. member has just said are a reasonable way to deal with this particular situation.

The hon. gentleman obviously thinks that the taxation system is the principal method of providing income support. In this respect, of course, the government has proceeded to use other vehicles, such as the transfer payments under the family allowance program. In addition there is the guaranteed income supplement and old age security, and transfer payments through the Canada Assistance Plan in conjunction with the provinces. We have thus operated programs which make actual cash transfer payments to people at the lower end of the income scale.

• (1550)

With respect to the family allowance, it seems to me that the arguments being put forward in this debate contradict the ones we heard in the debate in 1972 and 1973, at which time the government put forward a measure which did weight that particular transfer payment in favour of those at the lower end of the income scale. As I recall it, the hon. member and his colleagues took the position that it should be across the board: whether your income is $5,000 or $50,000, you should be entitled to the same gross family allowance payment, although that payment would be subject to reduction for taxation reasons. At the time when we were a minority government this measure did not go through in the form we proposed, which would have favoured the lower income group more particularly, but as a government we favoured the transfer payments for those at the lower income level. Another good example is

AHOP, the mortgage interest assistance and other housing measures where literally hundreds of millions of dollars have gone into low income housing.

I may make one further comment. The hon. gentlemen thinks that this should be handled through the taxation system. The only extent to which I would agree with that is through the taxation system as an administrative vehicle for delivering the basic transfer payments referred to that we have put on the statute books and that Canadians are now receiving. It is really to determined whether the use of the taxation system as a transfer vehicle or an administrative vehicle for making those payments is feasible that we have that question currently under examination together with the Department of National Health and Welfare and other departments.

Going back to my first point, it is interesting range of figures which the hon. gentleman has given the House. It seems to me that they sustain rather forcefully the argument that child care expense reductions with which we are dealing here have favoured those at the lower end of the income scale rather than those at the upper end.

Mr. Saltsman: Mr. Chairman, I am very pleased that what is happening here today might well turn out to be a debate. I want to deal with some of the issues the minister has raised, and I am pleased he has raised them. One of the reasons I sent him the sheet was so he would not think I was pulling those figures out of the air, and I am quite happy to see him extrapolate some of the figures if he thinks they are to his advantage. However, I am sorry he overlooks the very important rider that I indicated about child care allowances, and neglects the other argument that makes the better case.

I was saying that we cannot really demonstrate anything from these figures about child care, but we can certainly demonstrate that the minister does not deny that, but I am rather surprised to hear the kind of argument he used on this occasion—because of the way the tax system is balanced, the deduction means far more to somebody with a higher income than to those on lower income. So there is no quarrel here and I want to leave it.

I want to say something else about family allowances. We have argued for a standard deduction. The hon. member for Winnipeg North Centre throughout the many brillant years he has graced this House, has argued for universality. I can remember how impressed I was when I was a little younger than I am now and I heard him speak on old age pensions. Someone asked him, "You mean, when we have a standard old age pension you will give it to E.P. Taylor as well?" The reply was, "Yes, the old age pension is a matter of right and it goes to everyone, to the poor and to E.P. Taylor. This is not a charitable act".

We have argued the same thing with regard to family allowances. We did not say, "Take it away from the rich." The rich have children, too, and they are entitled to some consideration. What we are saying is that they are not entitled to more consideration than the poor. We think E. P. Taylor is entitled to his old age pension so long as he hangs around Canada, and if he has any children of eligible age, he is entitled to family allowance. We do not think people with higher incomes are entitled to more than the poor, because that is perverse and the kind of tax system we have is a very perverse system.

I hope the Minister of Finance clearly sees our point. We were not being unprogressive by voting against that measure and insisting that family allowances be equal for everyone. We were being consistent with the policy of this party over the years, that all people should be treated alike, especially under universal programs. Progressivity comes from having the income tax recoup whether it is the old age pension or the family allowance. That is what we are arguing about.

Let me deal with one other matter, since this is becoming a debate of sorts. The Minister of Finance said the income tax system is not the only way of distributing income. I agree with him that it is not the only way. One deals with every issue as it comes before the House, and one does not pretend it is the only way. There is a lot more that is wrong with the minister's party and his government than what appears in the income tax system. But today we are dealing with that system and we do not want to go over all these things.

The income tax system is a very useful way of redressing imbalances in other parts of the system, and I will give you the committee an example of this. When the Minister of Finance brought in the wage and price control policy with some reluctance, he did not use the words "rough justice"; they were used by the hon. member for Halifax. But I listened to the Minister of Finance on radio and television and found he had in fact picked up this phrase and called it "rough justice". It is at best rough justice. You cannot have an income policy that does anything more than control wages. The minister is beginning to realize that. Even when you want to control profits, there is an inherent difficulty in trying to do it in the kind of system under which we live. You cannot control dividends or prices effectively, but one thing the minister has been able to control—and this is one of the reasons the policy is so grossly unfair—is wages.

How do you get people to live with rough justice? The way to do is to say, "All right; we admit we have not been able to control much more than wages, but we will do something to the income tax system. We will see that some of the surplus income at least is siphoned off through the income tax system." But when the income tax system cannot do everything, as the minister says, it moves in a regressive direction and compounds the inequality of the wage and profit controls system. Then you have really accomplished the ultimate in injustice. This is why we have argued in favour of redressing the balance in the income tax system and at least making it progressive.

In the future we must have some kind of income policy, not the kind the government has now. The government will not be able to make it work through direct controls, because those controls only work very imperfectly and in some circumstances they cause a lot of problems. Therefore, you will have to use the income tax system to make up for the rough justice that occurs with direct controls. On that basis the minister should

recognize that while the income tax system cannot do everything, it should not at least make the situation worse in the way his proposals in Bill C-22 will do.

Mr. Macdonald (Rosedale): Mr. Chairman, I am glad to rejoin the debate on the issue with the hon. gentleman, particularly on the question of transfer payments to individuals. He says that his party's dogma as stated by their high priest, the hon. member for Winnipeg North Centre, is that there have to be across the board universal programs. I was going to say it in the absence of the hon. gentleman, but I see him appearing spectre-like from behind the curtains. I would disagree categorically with the dogma of the party of the hon. gentleman regarding family allowance payments.

● (1600)

I was a supporter of the family income security program because when public resources of that kind are available, just like public resources in the housing program, the great weight of those public resources should be used to support those who have the least in our community and I think we should not have these across the board payments. Indeed, that has been the consistent policy in the case of retired people with the guaranteed income supplement program. I would not support a payment to E. P. Taylor, if he happened to be in this country, or to his sidekick, McDougald. I do not know whether he is here now.

An hon. Member: Pay the old age pension.

Mr. Macdonald (Rosedale): Pay the old age pension: that is right, and this is the way it has evolved. As far as I am concerned, the weight of the pension system and the weight of the family allowance system should go to those who are least able to protect themselves in the economy. With the public resources which are available, that is the group which I, and I think many others in my party, would favour in dealing with these particular problems.

We are not really talking about the controls program but I will say just a couple of words with regard to the point the hon. member raised. Dividends have been controlled and profits have also been controlled. There have been rollbacks of profits in situations where they have amounted to excess revenue. One of the other factors—and this is observable from the aggregates of the economy—is that the profit level in Canadian firms has been below the trend level of the economy, and certainly below the level one would expect at this time. It seems to me we are almost getting to the ideal NDP state where nobody makes any money at all. Profit levels have been down. It is quite true that the controls on profits have not been as numerous as they have been with regard to incomes, principally because profit levels generally have been down.

The hon. gentleman was talking about this year of injustice to the wage earner. He talked about the difficulties wage earners had during 1976 because of the controls but, curiously, the working man has experienced a 4 per cent real increase in income through this period, principally as a result of the reduction in prices which was brought about by the controls program. The controls have put more real income into the pockets of wage earners of this country and have had the very opposite effect to what the hon. member has suggested.

The Chairman: Perhaps we could come back to clause 21, and I will recognize the hon. member for Edmonton West.

Mr. Lambert (Edmonton West): Mr. Chairman, the hon. member for Waterloo-Cambridge has been talking about rough justice. I wish he would at least be roughly relevant to clause 21. It seems that on any clause one can raise any subject which is within the four corners of the Income Tax Act, and it does not matter; but those who want to make a relevant contribution—and there are many in this House—find that with a limited time debate they are cut short. All I want to say about the comments with regard to the increase in child care expenses and the statistics we have heard ad nauseam is that the hon. member made one great oversimplification. He failed to point out the number of taxpayers who are spouses and therefore file separate income tax returns. I am sure the hon. member's observations would have been far different if he had considered family income.

It is all right to say a man earns $25,000 a year, but what if his wife is not working? The hon. member made some observations about the extraordinary, outrageous and disporportionate benefits a man earning $25,000 or $30,000 a year gets. However, if his wife is not working, he is the family breadwinner. Let us consider the man who makes $15,000 and whose wife works and makes $10,000. They are two separate taxpayers, albeit at lower levels. For a family earning $25,000, in which the wife is not working, there is no child care expense allowance. Where the husband earns $15,000 and the wife earns $10,000, there is a child care allowance.

I suggest that the table put forward by the hon. member fails to recognize one fundamental feature. As a matter of fact, even the minister in his observations on this fails to see that today there are hundreds of thousands of taxpayers who are married women and have to be classified as single taxpayers. They may claim the allowance for some of the children in the family. This varies. Each spouse picks the best advantage he or she may have under the Income Tax Act. It is a matter of sorting out the children and deciding who should claim the allowances.

The hon. member, however, lumps everybody into the same bag as though each taxpayer is the sole earner in the family group. It is the family group that we have to consider. Do not tell me that there is injustice to somebody earning $16,000 or $18,000 a year as a teacher who has a wife working part time either in an office, as a secretary in a school board office, in a school office, or in a supermarket, whatever the job may be, who earns, say, $6,000 a year. The hon. member has failed to take into account that there are two taxpayers in that family. I have a son who goes to university. He works part time during the summer. He is classified a taxpayer even though he may earn only between $4,000 and $5,000 a year. Therefore, all these suggestions with regard to the benefit of child care to taxpayers in this particular class are very misleading and

constitute an oversimplification. I find it extraordinary that the hon. member should have fallen into that trap. Frankly, it is an unconscious—I do not think he has done it consciously—misleading of the House for him to cite statistics such as those.

If the hon. member had been talking about 20 or 25 years ago when relatively few married women were working, perhaps his conclusions would have been more apposite, but today that is not the case and I hope that somewhere along the line in considering income tax we will get to the situation where joint income tax returns can be filed by a family group, husband and wife. It would be much more fair.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Then the hon. member could start making complaints with regard to the benefits of increasing the child care allowance from $2,000 to $4,000 as a maximum. Frankly, I was surprised. I think he has been misled by some of his research staff in arriving at his conclusion. He should study table 17 as it appears on page 160 of "Taxation Statistics 1975" which is headed "Returns with child care expense claims". He would find that the maximum number who claimed for the taxation year 1974 were in the $5,000 to $6,000 taxable group. I will put it on the record. For working mothers in the income bracket less than $2,800 there were 9,606 claimants; $2,800 to $3,000, 4,107; $3,000 to $4,000, 21,130; $4,000 to $5,000, 26,461; $5,000 to $6,000, 29,683; $6,000 to $7,000, 22,589; $7,000 to $8,000, 16,953; $8,000 to $9,000, 12,688; $9,000 to $10,000, 6,908; $10,000 to $11,000, 3,373; $11,000 to $12,000, 2,625; $12,000 to $15,000, 3,592; $15,000 to $20,000, 1,564; $20,000 to $25,000, 427; and, over $25,000, 412 claimants.

● (1610)

If the hon. member looks further at table 17, he will see the number of claims by working mothers and the number by fathers. A study of the statistics indicates that the tabulations and computations he made in assessing what class of taxpayer was receiving the benefit of child care expenses and registered retirement savings plans are totally wrong. He failed to look at the joint family income, which is where the real benefit lies. In the $20,000 taxable income class, which means a salary of about $25,000 with the normal number of exemptions, the chances are that the wife would not be working. As the income scale goes up, usually the wife does not work. Today the working spouse is a social phenomenon more than an economic necessity.

Mr. Rodriguez: Oh, oh!

Mr. Lambert (Edmonton West): There are a number of cases where the wife does have to work to help maintain the home, but there are far more cases where couples have bought a house at $18,000 or $20,000 more than they would if she were not working, or bought a second car or wanted to do extra things. In such cases, the spouse works in order to justify a higher standard of living, not from economic necessity. There is no criticism of that; it is a social phenomenon of today. Husbands and wives have decided to work in part in order to raise their standard of living, not to subsist.

Mr. Rodriguez: Go down to Newfoundland. Tell that to your colleagues from Newfoundland.

Mr. Lambert (Edmonton West): In this city of Ottawa, in this very building, in Sudbury, in Sault Ste. Marie among the steel and nickel plants, there are many men earning very good salaries.

Mr. Rodriguez: Come off it.

Mr. Lambert (Edmonton West): There are women who are also working in order to increase their standard of living.

Mr. Rodriguez: They are all lawyers.

Mr. Lambert (Edmonton West): The hon. member should get his head out of that bag of doctrinaire prejudice he has because he is a member of that party.

Some hon. Members: Hear, hear!

Mr. Rodriguez: On a point of order, Mr. Chairman, is the hon. member for Edmonton West suggesting he is against those families in the Sudbury basin who are trying to exist and subsist within a regressive income tax structure by the wives having to go out to work? I want to know that.

The Chairman: Order, please. This, surely, is not a point of order. The hon. member is making an argument. If he wants to ask a question, he should ask the permission of the hon. member.

Mr. Lambert (Edmonton West): If the hon. member is trying to suggest that people in Sudbury are generally in that category, then he is full of tripe.

Mr. Rodriguez: Except the lawyers.

Mr. Lambert (Edmonton West): I will come back and look at the average income reported by taxpayers by district, and we will see where Sudbury is. It is certainly in the lower part of the table.

Mr. Chairman, I have here a letter from a man who says he is a teacher and whose wife is not working. He wonders about the increase in the child care benefits to $4,000 a year. I do not declare this a correct argument, but it is a point of view held by a number of people. It may be that hon. members will want to correct this, but at least we will discuss it. He writes:

> There are many people who utilize the daycare—babysitting—deductions so that both parents can work, not in order to survive, but rather only to have a higher standard of living. Should parents whose combined incomes are in the $15,000 and sometimes much above brackets, i.e. $30,000 plus, be able to take advantage of tax deductions which were really aimed at the lower income sections of the community?

I am sure the hon. member for Nickel Belt would say that above a certain income there should be absolutely no allowance for child care. The writer makes this point:

Daycare expenses should be available only for those who are (a) single parents with pre-schoolers, or (b) parents whose combined incomes are below a certain level.

The writer feels that more women should stay at home and look after the children, because as a teacher he sees children who have been brought up by day care centres, not through necessity as in the case of the single parent of whom there are a great number. He feels that more children should be looked after at home by the mother, because as a teacher he sees what he considers to be almost social monsters as a result of lack of parental care. They are pushed out in the morning or dropped off at school or picked up by the bus, they lunch at school, drop in on a neighbour after school, and return home about the same time as the parents. That is the extent of their upbringing.

● (1620)

I want to put it on record to indicate that not everyone is in favour of, shall we say, this unrestricted subsidy to child care centres, for that is what it is. Personally, I feel that there is a need for child care centres to serve, particularly, single parents. Indeed, I would much rather the state provided that service for those people. It could be provided through provincial governments or municipal administration and for those whose incomes fall below a certain level there would be no charge. But beyond that fees ought to be charged and such centres ought to be considered as private schools and the double family income ought to bear the brunt of that charge. It ought not to qualify for the allowance.

Since the government has allowed inflation to go along unchecked for a number of years, certainly since the induction some years ago of the child care expense allowance, the ceiling certainly should be raised to the extent envisaged in the bill at this time.

[*Translation*]

Mr. Gauthier (Roberval): Mr. Chairman, it is the first time I have the opportunity to rise on this issue and I would be happy if the minister could go back to his seat, because I would like to ask him a single question. After all I have heard since the beginning of the discussion, and I did not miss much, the longer the discussion of clause 21 goes on the less we understand. Every spokesman for the New Democratic Party tried to give evidence that clause 21 was for people with high income at the expense of those at the lower end of the income scale, whereas the minister is trying to explain that it is not true.

Yet, a while ago, listening to the hon. member for Edmonton West (Mr. Lambert) reading his letter, I was thinking that this letter says a lot. We were wondering what low income people could get from that, compared to people with high income. I think light always comes from the working classes, it is quite clear now.

I will ask the minister, who is getting advice from experts, whether he can tell the House what a couple, whether both are working outside or not, will get in terms of family income. From what the hon. member for Edmonton-Centre has just told us, it is unfair that a spouse who works to raise a family and earns $25,000 and whose child is placed in a day care center should be disadvantaged in comparison with another couple in the same conditions but with an annual income of $50,000. I would like to know what each of these two couples is getting? If the minister is prepared to answer now, I will have only one other point to deal with.

[Mr. Lambert (Edmonton West).]

Mr. Macdonald (Rosedale): That may be rather difficult to answer without knowing what tax rate applies or what deductions the individual is entitled to. But perhaps we can try to figure it out quickly.

Mr. Gauthier (Roberval): Both are in the same economic situation.

Mr. Macdonald (Rosedale): You spoke of a couple earning $25,000, and another earning $50,000.

Mr. Gauthier (Roberval): Yes, both are in similar economic circumstances, benefitting from the same exemptions, to which the same tax rate applies.

Mr. Macdonald (Rosedale): Their economic situation is not the same. One gets twice as much as the other. They may be subject to the same maximun deductions according to the bill, but the effect on their income tax will in fact be different. The percentage may be the same, but there will be a higher absolute amount where the income is greater.

Mr. Gauthier (Roberval): Thank you, Mr. Chairman. That is precisely what I wanted to hear the minister say. That is precisely because the error lies in the rate. A deduction is made in terms of the percentage of the tax paid. I can understand the hon. members of the NDP who fight for that principle, because I feel that if we want to be fair to those who have to entrust a child to someone's care, we should fix a set amount. For instance, we should say that $40 or $45 a week will be allowed, which amount could decrease as salaries go up, because whoever earns $25,000 cannot afford to pay as much as the person who earns $50,000. As a result, those who earn $50,000, under the system I am advocating, would not be entitled to deductions for child care while those who earn $25,000 or $15,000 would be allowed more deductions. That is what we should do if we want to help the couples earning whereas the minister indicates vaguely that he wants to give more help to the couple whose income is highest. In this case, the NDP are right.

Mr. Lambert (Edmonton West): No.

Mr. Gauthier (Roberval): The hon. member for Edmonton West (Mr. Lambert) says no. Of course, because the minister has already said that whoever pays more income tax should have higher deductions. That goes without saying. If you stick to the deduction by the percentage, it is obvious he will get more. But you must not forget that the one earning $50,000 who places his child in a day care centre will not pay more than the one with a $15,000 income. You have to be fair. Will the day care centre charge $150 a week to the one earning

$50,000 and $25 to the other earning $25,000? Come on, this is done only in senior citizens homes in the province of Quebec. In these homes, one person with a little more money will be charged more, but we must not get in the same mess. I may be wrong but if we want to give direct assistance to minimum income couples, I think the percentage ought to be forgotten. I would like the minister to say what he thinks about it.

● (1630)

Mr. Macdonald (Rosedale): Truthfully, to answer the hon. member's previous question, the taxpayer earning $25,000 will have a marginal tax rate of 39 per cent, and if he deducts the $4,000 maximum indicated on the bill, he would then get $1,560. However on a taxable income of $50,000 the marginal rate will be 43 per cent and the tax saving will amount to $1,720. But I must point out that the total federal tax for the taxpayer will be $7,250 if he earns $25,000, while it will reach $17,440 for the one who earns $50,000 and in that sense the tax paid by the latter is quite higher than that paid by the first taxpayer.

Mr. Gauthier (Roberval): I realize once again that it is quite fine. I am told that the taxpayer who earns $25,000 will have a reduction of $1,560 in comparison with $1,720. Still the higher wage earner will receive $160 more than the lower wage earner.

An hon. Member: He pays more.

Mr. Gauthier (Roberval): Well, he paid more because he had more money, but if we consider the needs of the couple we must take an entirely new position. Let us consider the one who paid and not the needy. In that case it is somewhat like the case of pension plans, we agree on that point. A man needs an adequate income if he is to invest. The investor must be rewarded, because investments are needed. Such is the line of reasoning.

But with regard to child care expenses, it is very difficult to take. The hon. member for Winnipeg can say no all he likes, it is very difficult to take when one wants to plead for the family . . .

Mr. Lambert (Edmonton West): Mr. Speaker, on a point of order.

The Assistant Deputy Chairman: The hon. member for Edmonton West (Mr. Lambert) on a point of order.

Mr. Lambert (Edmonton West): I hope the hon. member for Roberval (Mr. Gauthier) will admit that Winnipeg is not Edmonton. I come from Edmonton! I want to make a slight correction. Edmonton is not in greater Winnipeg, it is further west. Edmonton is a lot more important than Winnipeg!

[*English*]

The Deputy Chairman: The hon. member's point is well taken.

[*Translation*]

Mr. Macdonald (Rosedale): A few more figures. Calculations are continuing. I provided the tax figures on an income of $25,000, which is $7,250, representing 21 per cent. But for a couple with an income of $50,000 the amount would be $17,440 and this deduction represents 9.8 per cent of their income tax.

Mr. Gauthier (Roberval): Mr. Chairman, I understand very well what you have just told the House but I maintain my position because it so happens that the tax deduction applies to the amount of tax paid; this is all very well, but I recognize that we had better do it otherwise if we really wanted to help directly the needy family.

[*English*]

Mr. Symes: Mr. Chairman, the debate this afternoon has been an interesting one, with interventions from the minister and my friend from Edmonton West. We have been talking about clause 21 of Bill C-22, the child care deduction allowance. Throughout the discussion we have been ranging over the concept of whether this is a deduction that benefits upper income Canadians more than lower income Canadians.

The Minister of Finance has been trotting out the income tax rate and how the rate increases as we go up the income ladder. He has been making the argument that indeed we have a progressive income tax system, that upper income Canadians pay more in taxes, and therefore the kind of complaints being made by the NDP about these deductions really do not hold much water. He states that upper income Canadians pay more income taxes, and therefore they should be entitled to the benefits of these deductions. I wish to address myself to that point and to the whole concept of what makes an income tax system fair. To make an income tax system fair, we have to base it on the principle of the ability to pay, namely, that the more one earns, the more one is able to afford to pay higher taxes. The fact that with our income tax system the percentage tax rate is lower for people at the low income level, and higher for higher income people, indicates that the government believes in the concept of progressivity: the more one makes, the more one is able to pay.

What we have been complaining about with regard to Bill C-22 is that that principle is undermined by virtue of deductions that are in the bill. What these various deductions do is reduce the taxable income of a person, and hence the rate at which that tax will come into effect. I would like to show how this happens by zeroing in on the clause before us, the child care deduction. The bill will double the deduction from $500 per child to $1,000 and bring the family maximum up from $2,000 to $4,000. In 1974, the last year for which we have up to date statistics, the child care provision under the old rate cost the government over $29 million in taxes that would otherwise have been collected if that deduction had not been available. It is interesting to note that this was only $3 million less than was spent by all levels of government in directly subsidized day care programs.

I hope it will be seen by the conclusion of my speech that there are better ways of spending this money than by the present deduction system. We in the New Democratic Party do not object to the idea of a child care deduction. We know that it is becoming more and more expensive to raise a family in this day and age of increasing costs, and that the burden falls harder on low income Canadians. We agree there should be some compensation for raising children, in terms of the income tax system. However, we ask the government and the public to examine how this present deduction system works and whether it is a fair way of providing support for families who are raising children. In other words, who does it help the most: the lower income families who obviously need aid, or upper income Canadians who are better able to meet ever-increasing costs?

● (1640)

We contend that it is the well-off who benefit most from these deductions. The Minister of Finance and spokesmen for the Conservative party say this may be true, but since we have a progressive tax system the well-off pay more tax anyway and for this reason the programs are not unfair. In response to that argument I should like to quote from a current study which was undertaken recently by a government-funded agency, the National Council of Welfare. I quote from page 20 of a council report entitled "The Hidden Welfare System." The authors considered the child care deduction system and say:

> When the child care deduction, or, for that matter, any deduction or exemption, is examined in the light of the progressive tax rates, it become obvious that it stands the ability to pay principle precisely on its head. A deduction always gives a greater benefit to persons with a higher income and a lesser benefit to persons with low incomes. This is because deductions always take money out of a person's highest tax bracket—the bracket which is taxed at the highest rate applicable to his income.

We are not, of course, against child care allowance. But the system should be structured in such a way that deductions in respect to it do not subvert the concept of progessivity and ability to pay. Let us see how the present system works and how the bill before us will work when passed. Take the example of two women, one a minimum wage-earner earning $6,000 a year. Consulting the 1976 tax schedule, we find that if she were allowed no child care deduction, federal and provincial tax upon that $6,000 would amount to $518. But if she is allowed the child care deduction in respect of one child, her taxable income is reduced by $1,000. Therefore, federal and provincial tax would be reduced to $261 and the child care deduction would provide a tax saving of $257.

Now take the case of a woman earning $20,000. Her taxes on this amount, before the child care deduction, total $4,972. If she takes advantage of the child care deduction, her taxable income is reduced by $1,000, which in turn reduces her tax bill to $4,592. Her tax saving amounts to $380. In other words, each woman gets the same basic deduction of $1,000, but the tax saving in dollar terms is quite different. The low-income person saves $257, but the upper-income person saves $380. So what we must concentrate upon is the dollar effect of the reductions built into the tax system.

What the income tax system should be doing is narrowing the gap between the rich and the poor to provide relief for those living below the poverty line. It is shocking to note that in this wealthy country there are five million Canadians living below the poverty line. The Prime Minister himself stated that it was a goal of his government to narrow the gap between the rich and the poor. I note that the Prime Minister said in 1971:

> The whole idea of redistributing wealth so that there might be a greater opportunity for all has been a national goal of this government.

That was in 1971. But what has happened since is that successive budgets by various finance ministers have failed to achieve this goal. Wealth has not been redistributed and the gap between the rich and the poor has not been narrowed. I should like to give some figures to indicate how the tax system has become perverse. In 1951, the bottom 20 per cent of income earners got 4.4 per cent of the total national income. Twenty years later, in 1971, the same bottom 20 per cent found their percentage of the national income reduced; they received only 3.6 per cent. In 1975 they registered a fractional increase which brought them up to 3.9 per cent.

Consider what has been happening to the top 20 per cent of income earners. Their share of the income pie has grown. In 1951 they got 42.8 per cent of the total national income. In 1971, the year in which the Prime Minister disclosed his goal and spoke about narrowing the gap, the same 20 per cent increased its share of the total national income and got 43.3 per cent. In 1975 that figure was reduced only marginally to 42.4 per cent. So through two decades each group finds itself in relatively the same position. There have been marginal movements but the gap was just as wide as it was. This is what we object to so strongly in the bill before us. The deductions here will perpetuate the inequity in the economic system as it pertains to low income earners. Moreover, the national government is losing billions of dollars of potential tax revenue, revenue which might be used to introduce income support programs in favour of lower income Canadians.

Mr. Lambert (Edmonton West): That would sure create a lot of jobs, too.

Mr. Symes: The National Council of Welfare estimates that all these various provisions cost the treasury $4.6 billion in lost tax revenues in 1974, and goes on to say that if the government were to eliminate or revise only half of these provisions, the tax revenue available to the federal treasury could be used to eliminate poverty for the five million Canadians living below the poverty line.

What we would like to see, instead of the present provision in clause 21 of a standard $1,000 deduction applied to both low income earners and upper income earners, is a new system of tax credits which would provide some kind of relief to families who are raising children. It would be arranged in such a way as not to benefit upper income Canadians more than lower income Canadians. Again I quote from the National Council of Welfare report at page 21. This is their finding:

● (1650)

The way to eliminate this inequity is to replace the child care deduction with a child care credit. (A tax credit is just what its name would imply: a credit of a fixed amount which each taxpayer could apply against his/her tax bill—or, in other words, a fixed amount of tax which he/she does not have to pay.)

In the example above, suppose the child care deduction were eliminated and replaced by a tax credit of $350 per child. The two women—

They are the two women I mentioned earlier in my speech.

—Would both then be eligible for the same $350 credit. For the woman whose earned income was $6,000, this would mean a $93 reduction in her tax bill. (Instead of the $257 tax saving she now receives from the deduction, she would have her taxed reduced by $350, a difference of $93.) The $20,000 a year woman would have her tax bill increase by $30 (since the present tax deduction gives her a saving of $380, but the credit would only give her a saving of $350).

So I submit that there is a way through the tax system to help families that are rearing children. The way to help them is not, as this bill proposes, by means of a standard deduction but, rather, a tax credit. Then those who need help the most—that is to say, those at the lower end of the income scale—would receive the maximum benefit, rather than, as the system is now, those at the upper end of the income scale who do not need the kind of tax saving offered as much as those at the lower end of the income scale getting the unfair advantage which is inherent in this provision of the bill.

As a Canadian, Mr. Chairman, I am concerned about fairness in our tax system, and the more I look at the tax system that is designed by the Liberal government, supported by their Conservative friends, the more I see how it discriminates against those who are least able to fight back in terms of their income and their political strength. That is why we say the bill is unfair, that there are better ways to provide assistance to families. The better way is the tax credit, not the regressive kind of deduction that the government is proposing in this bill.

Mr. Macdonald (Rosedale): Mr. Chairman, may I just add a postscript to that. According to the figures presented by the hon. member for Waterloo-Cambridge, 77 per cent of the benefits from child care expenses go to those with incomes of $10,000 or less.

Mr. Symes: Mr. Chairman, the Minister of Finance loves to point out in percentage form who receives the benefits. I do not quarrel with the concept that lower and middle income Canadians should receive benefits from the child care deduction system. But what I do quarrel about is the fact that upper income Canadians, who really do not need the kinds of deductions that we have here, are benefiting in dollar terms more than lower income Canadians. Therefore, if the minister is concerned about fairness and not with just quoting percentages showing who gets what, he will remove this provision from the bill and replace it with a tax credit system.

Mr. Macdonald (Rosedale): Just to respond to the hon. gentleman, he was making the argument that it was politically expedient for us, for some reason, to put in a measure favouring those in the upper income group. In fact, it favours the lower income group, so it seems to me that the hon. member's argument does not follow.

Mr. Symes: Mr. Chairman, when you look at the total number of provisions in our income tax system of which the minister is so proud, since the minister is so fond of talking about averages, if we add up all the exemptions and deductions permitted in the income tax system we find that taxpayers earning $5,000 average a tax saving of $244, whereas taxpayers earning over $50,000 save about $4,000. I would ask the minister, what is fair about a tax system which permits 27 per cent of all tax savings to go to the top 5 per cent of tax filers, while only 33 per cent is distributed among the 70 per cent or more of lower or middle income? I say that is not fair.

Mr. Macdonald (Rosedale): With a progressive income tax system, Mr. Chairman, people at the upper end of the income scale pay a much higher dollar amount, if the hon. member wants to talk in terms of dollar amounts. What I am pointing out is that from the figures that his colleague tendered to the House it appears that the vast majority of taxpayers in this country who take advantage of child care expenses, which is the clause we are dealing with at the moment, earn incomes under $10,000. So it is scarcely a measure that is weighted in favour of the upper income group.

Mr. Rodriguez: Mr. Chairman, I never cease to be amazed to find, when we are discussing bills having to do with income tax, a close liaison existing between the Liberal and Conservative parties. They certainly form a coallition to support this kind of maldistribution of income tax. The point that my colleague for Sault Ste. Marie was making seems to me a very legitimate one.

Mr. Woolliams: He never made one, though he tried to.

Mr. Rodriguez: We are not objecting to child care expenses being increased. What we are saying, in effect, is that because it is a progressive tax system this is another distortion in the system. As we go through the bill we see other give-aways and exemptions are permitted only for people who are earning large amounts of money, and therefore it becomes a distortion when it is superimposed upon—

Mr. Woolliams: What is your salary?

Mr. Rodriguez: Well, you do the same job as I do, so you know my salary.

Mr. Woolliams: If I did my job like he does his, I would not want it.

The Deputy Chairman: Order. It being five o'clock p.m., it is my duty to rise, report progress and request leave to sit again later this day.

Progress reported.

Private Members' Motions

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn)—Government Administration—Possibility of existence of guidelines governing acceptance by departments of free advertising; the hon. member for Moose Jaw (Mr. Neil)—Grain—Use of elevator space for Durum or red spring wheat; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Regional Economic Expansion—Newfoundland—Government action in view of closing of linerboard mill.

It being five o'clock p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions (papers), private bills, public bills.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

The Acting Speaker (Mr. Turner): Notice of motion (papers) No. 1, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall): shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Stand at the request of the government. Notice of motion (papers) No. 11, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall): shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Stand at the request of the government. Notice of motion (papers) No. 14, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall): shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Stand at the request of the government. Notice of motion (papers) No. 15, the hon. member for Yorkton-Melville (Mr. Nystrom): shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Stand at the request of the government. Notice of motion (papers) No. 35, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall): shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Stand at the request of the government. Notice of motion (papers) No. 8, resuming debate on the motion of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall): shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Stand at the request of the government. Notice of motion (papers) No. 23, the hon. member for Selkirk (Mr. Whiteway): shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Stand at the request of the government.

PRIVATE BILLS

[*English*]

CONTINENTAL BANK OF CANADA

MEASURE TO CONVERT IAC INTO CHARTERED BANK

The House resumed, from Thursday, November 25, 1976, consideration of the motion of Mr. Reid that Bill C-1001, to incorporate Continental Bank of Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

● (1700)

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, during the debate on Bill C-1001, an act to incorporate Continental Bank of Canada, on November 25, 1976, I started quoting an article published in the Quebec City newspaper *Le Soleil* on March 25, 1976, which article was written by a citizen of the Sherbrooke area, Mr. Gaston Bégin; he described the disadvantages in the fluctuations in the cost of interest which he described as being a parasite. That article is so well written that I feel it is well worth quoting:

"Those financiers are represented by the chartered banks and ably camouflaged by the Bank of Canada which makes only pocket money at the rate of 8 per cent a year on the monetary mass of the country while the others make the rest, namely 92 per cent. With their multipliers, with a stroke of the pen, they cash in on the wealth of the nation and collect unfair interest on it. They take over our wealth and become our masters; they are the tyrants from whom we must ask permission to breathe.

A country must not buy money, it must create it itself, and without being forced to do so. That is the supreme right of the state; otherwise a country cannot be administered. Its economy becomes distorted, turned upside down, damaged, even tainted, as ours is today.

Nothing will change if we do not have the courage to force our governments' hand so that they revamp this impostor of a monetary system which directly causes miseries, perpetual indebtedness, inflation, high cost of living and laxity."

I think it is quite in order to deal with the whole flaws of the present banking system, since the object of Bill C-1001 is to create a bank. This is clearly indicated in clause 1, and I quote:

1. There is hereby incorporated a corporation under the name Continental Bank of Canada, in English, and the name Banque Continentale du Canada, in French, hereinafter called the "Bank", consisting of such persons as are from time to time shareholders of the Bank.

In short, just another bank.

For all those who seem sceptical when we refer to the role of banks in the creation of money, here is a quotation from a book by Paul Samuelson, winner of the Economics Award of the Royal Bank of Sweden. I have this book here, if anyone has doubt, a book published in memory of Alfred Nobel.

This new edition of the translation is based on the fifth edition of the book reviewed and supplemented by the author, third printing, 1966. On pages 277-278 under the title: Can banks create money? the author has the following to say to explain the basic banking system:

The banking system as a whole can act as no single bank: it can develop its investments and loans to the extent where they reach a multiple of the total resources orginally available to the system. However each small bank in doing so lends only a part of its deposits.

We therefore reply in the affirmative to the question asked at the beginning of this section. Yes, the banking system and the American public jointly create about $5 in bank deposits for each dollar withdrawn from circulation and delivered to the banks.

Is this clear enough? Yet that book can be found in nearly all universities and all collections of the work of Samuelson. I had the opportunity to meet students at the La Pocatière community college and they told me that they had those books, but that they had not noted the important points that we can discover when we read the books.

Samuelson then explains in three tables how deposits are created.

Table 26 A: Initial situation of the mother bank;

Table 26 B: Untenable situation for a small isolated bank;

Table 26 C: Final situation of the mother bank.

On page 284, the same author says the following:

Through these same processes, the banking system finally creates desposits for a total amount equal to five times that of the additional initial coverage.

This is what we, Social Crediters, talk about regularly and what we try to force government representatives to admit, that we cannot continue to live in a system of perpetual debt when we have federal-provincial conferences to try to discover who will have the right to collect the most taxes from the taxpayer. There must be an end to this. This is a cause of dispute.

Samuelson also explains in Table 26 H the multiple expansion of deposits throughout the banking system. He adds at the end of the table:

. . . in each generation, each small bank has "created" new currency so that terminal banking deposits are five times higher than the coverage finally collected from the rest of the economy.

The same author also says—and I have taken notes to be quite sure that what I am quoting can be checked anytime by anyone so inclined:

We can obtain the same answer two other ways—by using common sense or elementary algebra.

On the following page, page 285, he adds this:

We can now observe that banks as a whole can achieve a credit expansion which a single bank could not achieve.

In Table 26 I, he gives a synthesis of the final position of all banks together. In the field of banking legislation, we have a number of freshmen who show good dispositions, but in an era of electronics and automation they go on using old rusty machines whose gears do not work any more. That is why our financing machine is falling apart. Those in charge of its operation do not even think of putting some oil where it is needed to prevent the bankruptcy which every unbiased observer says will hit us sooner or later.

We are worried by the list of fraudulent bankruptcies and we do not dare take the necessary measures to put an end to that state of affairs because we are afraid of disturbing the big shots who keep on taking advantage of the system.

Usually, at least, the essential product always comes when you can pay for it. Various organizations have studied the matter of housing, so what are the results? We ask from the government a working man's credit, namely loans for those families who want to buy a house. What does that mean? We have enough room, wood, stones, manpower and technicians to build houses. We lack money. Let us make loans and we will see houses being built. Let us do the same in other fields. Let us give money to the father of a family and we will see that he will find something better than rags or second-hand clothes for his children.

Of course, we will not give heaps of money for products that do not exist, but we simply want to give enough money so that a citizen can buy the goods that will help him meet his needs.

Bankers and politicians now say that there is too much cash in circulation. However very few people say that they have more money than what is necessary for them to meet their needs. This is what we can see everywhere.

So we fail to understand why governments take one portion of the worker's pay because the workers' families really need the whole pay of the father to meet their ordinary needs. If there is too much cash in circulation, the government should take it where it is most abundant, but never where it is lacking. Money is a creation of man! But as soon as a problem concerns money, we are stuck, we bow as before to what is inescapable, just as if it was a question of weather. Nothing can be done against the sun nor the rain. Nevertheless some so-called cultured minds take for granted that nothing can be done against lack of money and inability to pay.

However, money is not a creation of God, but an invention of man. Money was not created at the beginning of the world in a limited and immutable amount, by God's decree or by the forces of nature. Nothing such. Whether money be of metal,

paper or whether it be only credit transfers in bank books, it exists because it was made somewhere by man.

● (1710)

[*English*]

Mr. Reid: Mr. Speaker, I rise on a point of order. On the last day this bill was debated the hon. member who has the floor asked for a few moments to conclude his remarks. Since that time the hon. member has spoken for 12½ minutes. I realize that he has important things to say on this bill, but there is a tradition in the House of Commons that a few moments are given to hon. members to conclude their remarks. I invite the hon. gentleman to conclude within a reasonable length of time so that other hon. members might have an opportunity to participate.

Mr. Saltsman: Mr. Speaker, on the same point of order, we in this party would be very happy to forgo the time for our fourth speaker, whom we have here this afternoon, in order to permit the hon. member to proceed.

The Acting Speaker (Mr. Turner): Order, please. On page 1392 of *Hansard* for November 25 the following is reported:

MR. DEPUTY SPEAKER: Order, please. I regret to interrupt the hon. member but his time has now expired.

MR. DIONNE (KAMOURASKA): Mr. Speaker, I have just a few words to add—

MR. DEPUTY SPEAKER: Is the House ready to give unanimous consent to allow the hon. member to continue his remarks?

SOME HON. MEMBERS: Agreed.

So I ask the hon. member whether he is drawing to a close shortly; if so, we will let him carry on.

[*Translation*]

Mr. Dionne (Kamouraska): Mr. Speaker, I thank you and also my colleagues. However I would tell you as well as to the hon. member who rose on a point of order that I am now well rested and fit. The other day I was about to conclude my speech, but today I can go on again. Mr. Speaker, I hope you will allow me a few more minutes to end my remarks.

In any case the hon. gentleman who rose on a point of order even said it was interesting. So I go on. When the money supply in a country goes up or down, it is because somebody makes or withdraws some money. Money is coming from people who have the power to make it. That is the first thing we must have in mind if we are to overcome the financial obstacles placed between goods and needs, between the wheat in the field and the table around which hungry people sit.

The second thing we have to learn is that money is the only thing in the world that can be made in required quantity. When Canada declared war in September 1939, the whole country had been short of money for a decade. But overnight there was plenty of money until the end of the war. Money came by millions and billions, as much as was needed. That was so in every country at war. How was that money begotten? Certainly not by opening new gold mines; workers were led to the forces and war equipment plants rather than gold mines. The money came by a stroke of the pen. It was simply decided it should be there.

Food, clothing, shelter require work. Goods are the result of work. But not money. Money is the result of a mere decision by those who have the right or privilege to so decide. This is a point on which I would like hon. members to think, to try and understand all the difficulties in our system. This system could be amended anyway. When this is realized, one can no longer accept that there be no money when the lack of it is the only reason why goods in stores cannot be had by consumers. When this happens lack of money is a criminal mistake fraught with consequences. Name one government that would decide in wartime to send its soldiers home or shut down its war equipment plants for lack of money. This we did not see in Canada. How come then that the same successive governments accepted to leave hundreds of thousands of individuals and families suffer hunger and illness, lose their houses and farms because they had no money? I for one was a victim of the depression. At the age where everyone looks ahead with some confidence, we were living in a crazy system where we were earning 50 cents a day. Because I could never forgive the system for supporting that, I welcome this opportunity to express my views on the current situation.

A country should not buy money, it should create it. Such is the sovereign right of a government, without it no country can be governed, and the economy becomes thwarted, upside-down and weakened as we see it today. We therefore urge the government to use their right to create all the money needed for trade in an active and prosperous country, or to create credit instead of money. But let that be to society's benefit, let us have social credit instead of bank credit where interest is personal and trade like rather than social. It is simply that, but all that.

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the debate at this stage of this particular bill may have a rather dreary resemblance to the debate when a former bill, S-30, came back at the report stage. It is true that Bill S-30, accepted by the other place last session, was modified extensively in committee and met the objections of the majority of the members at the time, and it was only by some belated intervention at the report stage that some assiduous but misguided research assistants prepared a number of amendments merely to engage in a doctrinaire blockade of a bill which had satisfied the members of the House after extensive examination in committee. None of the objections which were made at the report stage had been raised at the committee stage. As a matter of fact, it seemed to be an almost total abdication of any examination on the basis that had been suggested. Of course, this is merely a tactical blockade, and this House should be more than conscious of the effect of such a blockade. The blockade may amuse some people, edify others and satisfy some doctrinaire quirks, but the point is that there are some 12,000 people who own a portion of IAC, many of them—

Mr. Rodriguez: Poor Canadians.

Mr. Lambert (Edmonton West): That is true of the great majority of them. There may be a few wealthy people among them, but it is strange to inquire about the portfolios of 12,000 shareholders of a company like IAC, which is a large, all-Canadian company. Some people who care little have a total disregard for how they trample on other people's property, how they may kick them in the teeth and how they may cause them loss without right of repartition. They are quite prepared to act as long as they see fit, but should they feel hurt themselves you would hear them bleat. If those who want to intercede at this time cite one or two names—as was done in debate this afternoon—of people who have worked and risked a lot, it is primarily because of jealousy because these people are smarter or a little more astute.

● (1720)

The hon. gentleman suggests there might be a character in the shape of a dog's hind leg. Unless one is able to put forward proof of misfeasance or improper practices, I think he should not cast aspersions on others. I would like to see the proceedings of this House broadcast when such statements are made. We would see how fast a libel suit would be slapped on. It is easy to make statements in the confines of this Chamber where there is absolute privilege, but they would not dare to make those statements outside. I find it rather difficult to accept observations like that.

This House has to act responsibly. If there are proper objections to a bill and we have heard them, the bill goes to committee and it is examined as to misfeasance, instead of wild allegations being made which have no substance. We should not be caught up in causing potential damage or financial loss to people who have no recourse. Some members dismiss the fact that they can cause economic loss to others by playing games, but if anyone were to start stepping on their toes we would hear them scream.

I put a lot of blame on the government for the fact that certain objections are being raised to this particular bill at this time. A white paper on banking revisions should have been prepared for reference to the standing committee on finance immediately after the conclusion of the throne speech debate. But we are not going to get a white paper, we are going to get a bill and the second reading debate will be extensive because the government will be committed to a particular course of action. After that there will be reference to the committee, and then public hearings. I forecast that the only amendments to the Bank Act in 1977 will be a one-line amending bill about May or June extending the life of the act for another year.

What about this bill to incorporate the Continental Bank of Canada? Does it face another year of total opposition, and is that opposition justified simply on the doctrinaire grounds that banks should be nationalized? There is no other reason for the opposition to this bill.

This is a Canadian operation and it is going to start with some money. I suppose to members of the New Democratic Party, the fact that it makes money makes it a reprehensible operation. To them the only things that are good are loser, state-operated ventures. They all become losers unless they have an absolute monopoly. I think members of that party should examine their stand and the interests that other people legitimately have. It is totally wrong to blockade this bill all through this session. Undoubtedly, if this practice continues it will take another year before the bill can go through. The Bank Act is not going to come forward, and there will be no opportunity to incorporate a bank by letters patent which would eliminate the private bill.

This House has to be responsible to the public interest, Mr. Speaker. Over the years I have seen some shocking examples of abuse of parliamentary privilege and parliamentary practice. People who have absolutely no right of redress have suffered grievous loss. I think those losses should lie in the souls and minds of the people who caused the excessive delays. The case can be argued, and it is then up to us to incorporate the body. We do not guarantee it will operate at a profit.

I dare say members of the New Democratic Party were quite happy to see the Unity Bank go through. It has had some difficulty in its operations, but others have gone through recently that seem to be operating very well and which are likely to be successful. They are like any new business except that the stakes are higher. At the present time, foreign financial interests can operate freely in this country—the suitcase bankers. Foreign banking interests are allowed to incorporate subsidiary institutions, not called banks but carrying out many banking functions, without supervision. This is because there are people who think that some Canadian operations are too big. By trying to get a squirrel with an elephant gun they miss the squirrel but get the much bigger game. I urge hon. members to let this bill go forward to the next stage. Surely the people who are putting forward this proposal are entitled to justice and fair play from this House. That is all I ask.

● (1730)

I urge hon. members not to delay unduly passage of this bill. Some may have legitimate remarks to make. I made plenty of suggestions with regard to the bill last year and was able to obtain many changes, as I saw fit, on behalf of my party, and those changes were accepted by the committee. None of the amendments was opposed by members of the New Democratic Party, who also found the amendments satisfactory.

We are considering a large Canadian company. Incidentally, IAC is the largest Canadian-owned auto-leasing company, but its share of the Canadian market is much smaller than that of a subsidiary of a New York company which can operate with greater freedom than IAC. If the House allows the Continental Bank bill to pass, the operations of the Canadian-owned company will be strengthened and the company will obtain a bigger share of the Canadian market.

The position of the NDP on this matter is remarkable. They cannot have it both ways. They are strong economic nationalists, but not, apparently, in the case of banks, because they want all banking to come under one big, massive, national bank. The result of their proposal would be foreign-owned interests coming in and taking an ever bigger share of our

business. Really, they are adopting two positions which I find totally unreconcilable.

I hope that this bill can go forward. I do not think that passage of this bill should await passage of a new bank act which will become effective only in 1978. I think the people promoting the bank and the shareholders of IAC deserve more honest and fair treatment from this House.

Mr. John Gilbert (Broadview): Mr. Speaker, I appreciate the remarks of the hon. member for Edmonton West (Mr. Lambert). He has long been a member of this House. I recall, when I was first elected to this House in 1965, that he was the chief financial critic of the Conservative party, and in 1967 he played an active role in the finance committee in discussing amendments to the Bank Act. I listened carefully to his remarks this afternoon. It would be only fair to add that in 1967 when we sat in committee he was the corporate apologist. Two members of my party, the late Colin Cameron and I, attempted to carry the flag for most Canadian people in the discussion of those amendments.

Mr. Lambert (Edmonton West): Hah!

Mr. Gilbert: If you remember, Mr. Speaker, back in 1967 a Bank Act amendment lifting the 6 per cent ceiling was being considered. I remember witnessing a motion, proposed by a Conservative member and seconded by a Liberal, for lifting that ceiling. It was accepted, despite the opposition of a strong contingent of young Liberals led by Walter Gordon. The corporate boys won the day and the 6 per cent interest ceiling was lifted. The hon member for Nickel Belt (Mr. Rodriguez) pointed out the results of the acceptance of that motion brought forward in 1967.

We, of the New Democratic Party, feel that it is our duty to review Bill C-1001, the bill to incorporate Continental Bank of Canada. We want to consider how such a bank would fit into the general banking picture in Canada. I enjoyed listening to the hon. member for Edmonton West. He partly blamed the government for not bringing forward a white paper for discussion both in the House and in committee, a white paper which would have enabled us to consider amendments to the Bank Act. Actually, one of his main arguments was similar to the NDP argument with regard to the incorporation of IAC as Continental Bank of Canada. We say that IAC should not be incorporated as a bank until the Bank Act has been amended. The principle is important and there is a good deal of support in the financial community for that position.

Mr. Lambert (Edmonton West): Tell us about it.

Mr. Gilbert: Mr. Speaker, may I refer the hon. member for Edmonton West to an article in the *Financial Post* of April 3, 1976?

Mr. Lambert (Edmonton West): Written by whom?

Mr. Gilbert: It was written by Beatrice Riddell and Stephen Duncan. The headline reads, "Stall of IAC Conversion to a Bank Raises Larger Issues ." The article reads in part:

[Mr. Lambert (Edmonton West).]

Barring an unexpected change of heart by the 16—member NDP caucus, the IAC Ltd. proposal to convert to a chartered bank appears stopped in its tracks—for the time being at least.

I shall quote what I consider as the main parts of the article. I hope the hon. member for Edmonton West is listening. The paragraph I am about to quote is headed, "Conversion vs Creation." It reads:

Clearly, the IAC-Continental stall raises some serious questions for the financial system as a whole—questions that will certainly get important billing during the forthcoming Bank Act debate.

As that paragraph suggests, the issue is one of conversion as opposed to the creation of another bank. The next paragraph of the article reads as follows:

At issue: is it in the public interest for a large, efficient financial organization to convert to a chartered bank? If so, what special arrangements should be permitted to allow for an orderly transition, and what time limit should be set?

The issue, as I said, is one of conversion as opposed to the creation. That question can only be debated fully by members of this House, and of the finance committee, when they see the proposed Bank Act amendments. That, I suggest, is what the two learned authors of the article say.

Mr. Lambert (Edmonton West): Who are they, and what are their interests?

Mr. Gilbert: They are Beatrice Riddell and Stephen Duncan, writers for the *Financial Post*. I do not know them but have read what they have written in the *Financial Post*. I am sure that they have both knowledge and experience of this matter.

The article goes on to say:

Ever since the Porter royal commission on finance reported in 1964, it has generally been considered acceptable, and even desirable, for existing near-banks to become banks if they want to do so. But, in fact, this is the first such request.

I am sure the hon. member for Edmonton West remembers the Porter commission report of 1964, and the questions which were raised at that time concerning the conversion of near-banks to banks. Well, here is a large institution attempting to convert itself into a bank. We say, properly, I think, that before this conversion takes place we should see the new bank act and the standards which are to apply under that new act.

The authors of the article go on to say this:

Obviously, a bank sponsored by an organization of IAC's size, reputation and financial expertise provides much greater potential competition for the existing big banks than one starting from scratch.

● (1740)

"If anyone is entitled to a new banking charter, IAC with its proven management and strong Canadian flavor (96 per cent owned by 13,000 Canadian shareholders) certainly is," a senior Canadian banker says.

Before the Finance Committee on Bill S-30 there appeared the Inspector General of Banks, C. L. Read. He set forth a principle which we should look at very closely. He said that in order to put the banks in a proper perspective we should have more competition. That is the thrust of his statement. That is what C. L. Read, the Inspector General of Banks, told the Senate Banking Committee when it convened in November to hear an application from IAC of Toronto to form the Conti-

nental Bank of Canada. He said government policy favours the chartering of new banks to provide competition for the 11 existing banks. If I thought there was real competition among the 11 existing banks with regard to interest rates, I would more than welcome the instrusion by IAC into the banking field. However, one need only look at the interest rates with regard to personal loans, mortgage interest, and rates to companies to realize that there is no competition whatsoever. There may be a little bit of competition with regard to acquiring business and services, but one could not for a moment say that there is any competition with regard to interest rates.

An article in the December issue of *Maclean's* is entitled "Let There Be Banks—A Little Something For The Rich". After setting forth the principle by C. L. Read, the Inspector General, the writer, Terrence Belford, sets forth the background of the persons who conduct the IAC operation. He says, and I quote:

Take IAC's Continental Bank. Among its 16-man board of directors, thirteen sit on the boards of other banks or trust companies. They are: J. S. Land, Royal Trust Co.; Ronald Cliff, National Trust Co.; Frank Covert, Royal Bank; John Dewar, Toronto-Dominion Bank; Conrad Harrington, Royal Trust Co.; David Kinnear, Bank of Montreal; Louis Lapointe, Toronto-Dominion Bank; Keith MacDonald, Canada Permanent Trust Co.; Paul Paré, Royal Bank; Charles Rathgeb, Royal Bank; Renault St.-Laurent, Banque Canadienne Nationale; James Thackray, Bank of Montreal; and Dennis Yorath, Montreal Trust Co.

With an array of directors like that who sit on the IAC and also on other banks, one draws the immediate inference that competition would remain the same as it is today among the other 11 chartered banks. I would think the hon. member for Parkdale (Mr. Haidasz) would see that that is a reasonable inference on the basis of the facts that have been presented by this writer and myself. If you have the IAC with 13 directors who have interlocking directorships with other banks, you cannot reasonably expect competition in the banking field.

Terrence Belford in the article in *Maclean's* goes on to say, and I quote:

IAC's major shareholder, with a 19 per cent interest, is Carena-Bancorp Inc., controlled by Peter and Edward Bronfman, who incidentally are also principal shareholders in the company sponsoring the Commercial and Industrial Bank. Their partner in Carena-Bancorp, which owns the Montreal Forum and Canadiens hockey team, is Jacque Courtois, a vice-president of the Bank of Nova Scotia. The Bank of Nova Scotia itself also participates in Carena through its holdings in Placements Rondelles Inc. Yet another IAC shareholder is Royal Trust. Both the Bronfmans and the trust company will transfer their shareholdings to the new bank.

On the evidence of the article by Terrence Belford, we come back to the original proposition by the Inspector General that the incorporation of new banks will be for the purpose of providing more competition. We find that the directors of IAC have interlocking directorships with other banks. We also find that IAC's major shareholder has many other corporations which are directly related to banks. Therefore the inference is reasonable that there will be little or no competition.

Mr. Belford goes on to say:

This galaxy of corporate talent has managed to convince the Senate banking committee to exempt the IAC bank from many regulations governing similar ventures. For example, the Senate says the Bronfmans can keep their 19 per cent shareholding for two years in spite of the fact all other bank shareholders are limited to a maximum 10 per cent interest.

That is a concession which is worthy of note and worthy of examination. The hon. member for Parkdale said that appears to be discrimination. I quite agree with him.

Mr. Belford went on to say:

The IAC bank bill will allow the company to keep its two insurance subsidiaries for at least two years:—

Again the inference can be drawn that this is a discrimination in favour of IAC against other banks.

—other banks are specifically banned from the insurance business. The bank will also be allowed to keep its current board of directors for ten years even though the Bank Act says directors cannot sit on both bank and trust company boards. IAC has five such directors including its president, J. S. Land.

On the basis of the evidence by Terrence Belford, we should examine thoroughly and exhaustively the reasons why IAC want to incorporate under Bill C-1001. The reasons are quite obvious. They want to continue their operation with exemptions and preferences that other banks do not now enjoy.

The hon. member for Edmonton West says that there are 12,000 or 13,000 shareholders who may be suffering certain losses as a result of the holding up of this bill. There are 23 million people in Canada. Their interests far exceed the 13,000 shareholders represented by IAC. They do so in light of the favours that IAC would obtain by its conversion from a finance company to a bank.

This is the first attempt by any finance company or near bank to move to a bank. All other applications have been started from scratch. Therefore it behooves all of us to study in depth this problem of conversion versus creation.

● (1750)

When I consider the array of directors, when I consider the type of shareholder, when I read about the exemptions which would need to be made with regard to the finance act, I come to the conclusion that in fairness to all Canadians, not merely to 13,000 shareholders, there is a duty incumbent upon all members of parliament to delay this bill until a new Bank Act has been presented. When we know what the amendments are to be, and when these matters have been fully debated in the House and in the Finance Committee, we shall be in a position to deal with applications from insurance companies and near-banks in a spirit of fairness, knowing what is contained in the new legislation.

This, in summary, is why we in the NDP oppose Bill C-1001. We have no axe to grind with the hon. member for Rainy River (Mr. Reid) who brought this measure forward as a private member's bill. I am sure he does not rank with members of the other place who have corporate holdings and deep financial interests in many of the major corporations across the country. I think he is a poor country boy who represents the people of Rainy River. He represents them under different banners. At times I do not know whether he is representing them as a Liberal, as Labour, or as Liberal-Labour. Now he really has me confused. He advises us he represents them as Liberal-Labour. If he does, I think he will

recognize the fairness of the argument put forward by members of the New Democratic Party, particularly by the hon. member for Waterloo-Cambridge (Mr. Saltsman) and by the hon. member for Nickel Belt (Mr. Rodriguez) who have studied this subject closely and concluded that in no way should the bill be approved until the new bank act is passed.

I happen to be a poor city boy with much the same background as the hon. member for Rainy River. I did have a certain amount of university education, but I am just a humble lawyer attempting to look after the needs of my constituents. Many of my constituents come to me and complain about the exorbitant interest rates they pay on their mortgages and personal loans. It makes me—

The Acting Speaker (Mr. Turner): I regret to inform the hon. member his allotted time has expired. He may continue if there is unanimous consent. Is there unanimous consent?

Some hon. Members: No.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I would like for the first time to make a few comments about this private bill which, like all other private bills, will keep coming back before the House until we get so tired of it that it will eventually pass.

This bill provides for the organization of Continental Bank of Canada as a wholly-owned subsidiary corporation of IAC Limited. The bank and IAC Ltd. would be almagamated within ten years, with shareholders of IAC Ltd. becoming shareholders of the bank. The bill contains a number of provisions to ensure that the business and capital structure of IAC Ltd. will be brought into conformity with the Bank Act during the period prior to amalgamation.

This is precisely why we cannot pass this bill for the time being. First of all, to organize this bank, they failed to comply with the Bank Act and are in complete contravention of that legislation, and it is mere patronage. A moment ago, I was looking at the hon. member who put this bill forward. I understand he did it because he had to and I wonder—one always wonders about things—how much financiers have paid the Liberal party to convince them. One is always entitled to ask questions and that is what the Canadian people are doing.

All we ask for at present is to wait until consideration of the new bank legislation is completed. Then we will deal with this matter. But the Liberal party seems in such a hurry, they look as if they were spurred on by some outside force to give speedy passage to this bill, which every week is coming back before the House. They seem to say it is urgent but IAC Ltd. will surely not go bankrupt, Mr. Speaker, because we will not agree to this bill immediately. That is impossible. I have known IAC Ltd. since I was a child. They make so much business and lend money at such prohibitive interest rates that we should not feel sorry for them at all. Of course, when one gets lots of money, one always want to get more.

And the existing finance company, in spite of its extraordinary interest rates, wants to get even more. This is why they want to convert into a bank in order to be allowed as well to loan $100 for an asset of only $6, and get 10.5 per cent interest. That is quite all right, I am not giving them orders, in their place I would do the same, but we members should . . .

[*English*]

An hon. Member: Six o'clock!

The Acting Speaker (Mr. Turner): Order. Perhaps the House would permit us to go back into Committee of the Whole before I call it six o'clock?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration in committee of Bill C-22, to amend the statute law relating to income tax—Mr. Macdonald (Rosedale)—Mr. Turner in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: When the committee rose at six o'clock, clause 21 was being considered. The hon. member for Nickel Belt had the floor.

On clause 21.

Mr. Rodriguez: Mr. Chairman, when we broke off at five o'clock for private members' hour I think I was commenting on the great coalition which seems to take place between the two old line parties in this House when we come to deal with such things as changes to the Income Tax Act. I am always very impressed by the way in which the official opposition stops opposing and suddenly becomes supportive of the government when it comes to income tax changes affecting those in the upper income brackets.

As my colleague from Sault Ste. Marie has quite correctly pointed out, we have no quarrel in principle with this particular clause which seeks to increase child care deductions.

Mr. Saltsman: We all have families.

Mr. Rodriguez: Yes, we all have families and know what it costs to raise children in this country today. I myself have five and can attest to what it costs to raise children. So as I say, we have no quarrel with this clause in principle. But we submit

the government must be prepared to make some meaningful changes in the structure of the income tax system so it becomes a tool for redistributing wealth. The government is superimposing the kind of change outlined in this clause upon a structure which is badly distorted and as a result, people who earn a lot of money can take advantage of such changes to get richer, while the spread between the incomes of those at the top end of the scale and those at the bottom becomes greater.

The minister has made all sorts of points about the number of people who have taken advantage of child care deductions and so on. But this is not the point that we have been trying to make, Mr. Chairman. The question is: how much is that in actual cash to a family? The National Council of Welfare—one has to assume this council knows something about low income families and income distribution, and one has to assume it has expertise in this field for which, I think, members of the House will be prepared to give it the benefit of the doubt—has shown how the tax saving from the deduction is substantially more beneficial to the wealthy than to the low income groups. The National Welfare Council has pointed out that at the $10,000 level such a $1,000 deduction would be worth $210, while at the $50,000 and plus income level it is worth $410. Here is the kind of distortion we were talking about, that the increase in child care deductions for the upper income bracket would be worth to them twice the amount that a person making $10,000 would have.

● (2010)

Last Monday the Minister of Finance claimed that the quarter of a million Canadians who claim the child care allowance stand to benefit from the increase, but he failed to say that some benefit more than others, and the ones who tend to benefit more are the ones who are already enjoying a greater benefit from society in terms of wages. I think the minister misses the point we have made that in effect this kind of amendment maintains the constant inequality and keeps the spread, and even widens the spread between the upper income groups and the lower income groups.

Not only does this bill deliberately improve the tax position of the middle and upper income earners, it does absolutely nothing to plug the existing loopholes which really turn the ability-to-pay principle upside down. This is a period of time when even societies like ours are concerned about plugging loopholes or at least narrowing the gap between the top and the bottom income levels.

What are all these amendments doing? They are doing nothing to change the fact that in 1974 deletions from the accounts of the income tax revenue that could not be collected because the taxpayers were no longer resident in Canada amounted to $850,000, owed by 161 taxpayers. What attempts has the government made to collect those taxes? In this situation the tax dollars have gone down the drain and the rest of us will have to pick up the slack in that area.

Does the bill do anything to change the fact that in 1974 252 persons who made over $50,000 that year paid no tax at all, and that 17 of them had incomes of over $200,000? Does it do anything to collect these taxes? I want to know that because it is rather important.

Another question that one should ask oneself is whether this bill does anything to change the fact that professionals who want to avoid taxes set up dummy companies, since small businesses pay taxes at a lower rate when compared with marginal rates in the personal income tax system. What are we doing to plug that loophole to make sure that that segment of society pays its fair share of the taxes? These are the kinds of questions that we would like to ask. Do we not see some of those changes being brought here as well as an increase in child care allowances? Does the bill do anything to change the fact that interest costs on money borrowed for the purpose of investing in something that may ultimately earn income for the taxpayer is deductible in the year in which the interest expense is incurred? Does it do anything to plug that loophole?

We are prepared to say that if you are plugging those loopholes with amendments in the bill, then of course what you are doing with respect to increased child care expenses has relevance. Indeed, when the hon. member for Sault Ste. Marie repeated what the Prime Minister had promised in 1971 in respect of closing the gap between those who have and those who have not, we realize that that philosophy seems to have changed because as recently as January 26 the Prime Minister said the following at a Press conference:

> It is not part of the Liberal philosophy to equalize everybody towards the middle; to make sure that the top quintile and the lower quintile are equal, or even, for that matter, very close. It is part of the Liberal philosophy to make sure that the poor in this society get richer. If the rich get richer too, we really do not take offence to that.

I do not mind if the rich get richer, but surely they should not be getting richer with the connivance of the income tax structure which permits all sorts of loopholes. Surely that is not fair. Surely any person who has a sense of justice would never subscribe to that theory. Suddenly it is 1977 and the Prime Minister has changed his tune.

Some of the rather interesting distortions in the income tax structure are rather disturbing. It should be very disturbing to members on the government side to realize that the just society has been in effect for eight years. Certainly we cannot see any justice with respect to the way the changes to the Income Tax Act have come to the House during that time.

I want to point out that we on this side of the House do not oppose the whole concept of increased child care cost exemptions. However, in this debate we want to focus attention on the distortions in the income tax structure. It seems to me that the Income Tax Act certainly provides loopholes which not only benefit the rich but are a deliberate tax policy of the Liberal government. This helps to explain the fact that in 1971 taxpayers in the $25,000 and over income group, where ownership of stocks, bonds, mortgages and business interests are concentrated, paid only 13 per cent of the federal personal income tax, while those taxpayers earning less than $10,000 paid 51 per cent. To know that it is a premeditated, deliberate attempt on the part of the government to help the rich get richer we only have to look at the remark which I mentioned

earlier made by the Prime Minister at his press conference on January 26.

But we have seen other amendments go through the House. We have seen changes with respect to the surtax. That occurred when the anti-inflation program was established. They were supposed to go in tandem. Here we see one coming off and the other staying in. I suppose this is what the minister would term the way ahead.

There is no question that when we look at the bill and we see the elimination of the surtax, we see changes with respect to the registered retirement savings plan, and when we see the write-off on personal income tax of moneys put into exploration, we become very concerned about these kinds of proposals with respect to child care expenses moving up because in effect they will not really help the lower income persons in terms of cash. We have no hesitation at this particular point in saying that this clause is going to be inequitable when taken together with the other changes which are envisaged in this bill.

● (2020)

Mr. Orlikow: Mr. Chairman, I rise in this debate because at an earlier stage last week when we used some figures to suggest that the overwhelming percentage of the savings made by these various income tax provisions which the minister is proposing would go to people in the upper income bracket, the minister argued against the points put forward by the hon. member for Waterloo-Cambridge, by myself and others, using figures with regard to registered retirement savings plans. He was supported by the hon. member for Edmonton West. They argued that a very large majority of the people taking advantage of these plans were people in the lower income brackets, people earning up to $15,000 a year.

Mr. Lambert (Edmonton West): Ten thousand.

Mr. Orlikow: The hon. member for Edmonton West interjects that they are people earning under $10,000.

Mr. Lambert (Edmonton West): Taxable income.

Mr. Orlikow: Taxable income, and technically he is correct, but we have had some calculations made from the information provided by the Department of National Revenue and Statistics Canada, and while the hon. member is technically correct, if we look at where the savings actually go, it becomes very obvious that the real savings go to the people who earn over $10,000, and particularly to those who earn over $15,000.

I think it would be useful to put the precise facts on the record. The argument advanced by the minister and by the hon. member for Edmonton West is the usual argument we hear, not just from politicians from the Liberal and Conservative parties but also from people who write financial columns in newspapers, business editors and so forth. We have a typical example of this in an article which appeared in the *Globe and Mail* of April 20, 1976 written by Ronald Anderson, and which reads as follows in part:

> ... the retirement savings plans encourage people to save for their retirement, the home ownership assistance plan helps and encourages people to provide their own living accommodation, and the interest and dividend exemption encourages Canadians to build a modest investment portfolio.

As I say, this is the typical view of middle and upper income people because they look upon themselves as being typical of all Canadians, and of course nothing could be further from the truth. These plans encourage thrift, supposedly, on the part of those who can afford to save, and in these days that is not very many people. These gimmicks are supposed to foster savings, but they only foster savings if people have extra money to save. In 1974 there was a total tax benefit of $513 million from the registered retirement savings plan, and the figures show that most of that went to the affluent. Last week the minister argued that RRSP's were not benefiting the wealthy at the expense of everyone else because in 1974, the last year for which we have figures, nearly 940,000 people had RRSP deductions. What the minister did not tell us was where the benefits accruing from these deductions went.

We have had an opportunity to look at statistics which show that just under 5 per cent of the people in the $20,000 and over category got over 57 per cent of the tax savings in 1974 from RRSP deductions. I will put the figures on the record, and I would be happy if the minister could show us that we are wrong. People with a taxable income of under $5,000, 38.4 percent of all the people who took advantage of this provision in the income tax law, had an average saving in taxes of $1.02 for the year. The people who had taxable incomes of between $5,000 and $10,000 per year—and they made up 31.5 per cent of the people who took advantage of this provision—had an average saving for the year of $9.81. The people who earned between $10,000 and $15,000 taxable income—they made up 18.7 per cent of those who took advantage of this provision—saved an average of $38.43.

Now we come to the big winners, those people who had taxable incomes of between $15,000 and $20,000 a year. They made up only 6.8 per cent of all the people who took advantage of this provision, and they saved an average of $125.01. People with taxable incomes of over $20,000 made up 4.6 per cent of those who filed under this plan, and they saved $551.88. That is the kind of rough justice the Minister of Finance believes in, $1.02 saving for those who have taxable incomes of under $5,000, and $551.88 for those who had taxable incomes of over $20,000. That is the just society of the Trudeau Liberal government.

Let us look at the registered pension plan, which the minister said was a better illustration of equity than any other. Registered pension plans were supposed to benefit the ordinary working person as opposed to those more affluent. The savings are divided up in the same way, although the result is not quite so extreme.

Of those who took advantage of this plan 38.4 per cent had taxable incomes of under $5,000 a year. Their average saving was $1.85. Of those who took advantage of registered pension plans 31.5 per cent had incomes of between $5,000 and $10,000, and their average saving was $21.29. Of the people who took advantage of the registered pension plan 18.7 per cent had incomes of between $10,000 and $15,000, and their

average saving was $73.26. However, when we come to those people earning between $15,000 and $20,000 taxable income, they made up only 6.8 per cent of those filing under the registered pension plan, and they saved $135.76. Those people who earned $20,000 taxable income, and who took advantage of this plan had an average saving of $225.50, and they made up 4.6 per cent of those filing. In other words, under this plan those who were able to make use of it and who earned under $5,000 saved $1.85. People earning $20,000 taxable income saved $225.50. That is another example of what the minister considers just.

● (2030)

If you combine these two sets of figures and look at the total retirement picture you find that those with low income and no other resources get virtually no help. They get the old age pension, but then so do the wealthy. Supposedly income tax takes away from the wealthy—except that the minister permits them all kinds of exemptions.

The affluent and powerful who have other sources of income, and who do not need to worry about retirement, receive generous benefits from the government. We have calculated this as follows. The group with under $5,000 taxable income per year have an average saving of $2.88; between $5,000 and $10,000, $31.10; $10,000 to $15,000, $11.68; $15,000 to $20,000, $260.77; and over $20,000, $777.38. The same applies to the Registered Home Ownership Plan about which the minister spoke so proudly this afternoon.

Mr. Macdonald (Rosedale): I did not mention it this afternoon.

Mr. Orlikow: If the minister did not mention it this afternoon then I will not deal with it. There is one other thing which distorts the whole tax structure and which again is a bonanza to those in the upper income brackets, and that is the indexing of income tax. We consider this to be the biggest boondoggle of all. It is an idea that the Liberal government stole from the official opposition several years ago. It has been touted as a plan which benefits everyone because all save the same as a result of inflation, and therefore if income tax is indexed everyone receives equal benefit. If you look at the actual figures, however, you see that as usual under a Liberal government those at the top benefit much more than those at the bottom.

The tax rate at the bottom is much higher than it needs to be. If you give money away to everybody, particularly to the wealthy, then you have to find the money to meet expenses. To pay for the services you have to take the money back from everybody, and take more from those at the bottom.

Using figures supplied by the Department of Finance we looked at the savings for a taxpayer with two children under 16 for the years 1976 and 1977. The group with a taxable income of $5,000 a year will pay $46 less tax; $10,000, $284 less; $15,000, $413 less; $20,000, $621 less; $30,000, $884 less; and $50,000, $1,259 less.

These savings are for what the Department of Finance called a typical taxpayer at various income levels. In fact even these figures do not tell the whole story because people in the upper income bracket do not make all their money from wages and salaries. They often have income from capital gains which escape taxation and are not taken into account. No account is taken of other potential deductions that I spoke of earlier such as child care, RRSP, RHOP, interest income deduction, and so on.

I think we have demonstrated quite conclusively from the statistics issued by the government that our system of taxation is geared to give the greatest benefit to those who already have. This is why we have the situation which some of us have spoken about for a number of years where, despite all the plans for social security, despite the fact that we now have hospitalization insurance, medical insurance, family allowances, despite all these federal and provincial programs, rather than the gap between rich and poor being narrowed, in the last 25 years it has widened.

One of my colleagues quoted figures on this earlier today, and I want to close by putting them on the record myself. In 1951 the bottom 20 per cent of income earners, as a percentage of the total income, received 4.4 per cent of the gross national product. The figures we have show that in 1975 this had dropped to 3.9 per cent. On the other hand, the percentage of the total income received by the top one fifth of the income earners in 1951 was 42.8 per cent of the GNP; in 1975 this group received 42.4 per cent. We believe it should be the objective of a modern industrialized society to ensure that no one lives in real need. The gap between those at the bottom of the income scale and those at the top should be narrowed. This government has not done that and this bill will not do it. It is for that reason that we oppose the bill, Mr. Chairman.

Mr. Woolliams: Mr. Chairman, we listened this afternoon to arguments that were supposed to pertain to clause 21 of the bill which deals with deductions for child care, but although I listened carefully they seemed to relate to other matters. I suppose there is not a clause in the bill which does not relate to the Income Tax Act and I think the New Democratic Party have at least grasped that fact. I should like to answer some of their arguments.

● (2040)

The new act passed in 1971 was piloted through this House by one who now sits in the Federal Court. Taxing laws are complicated, and certainly not all accountants or lawyers understand them. Mr. Chairman, I have just returned from the Canadian Bar Association's mid-winter meeting, and it is the opinion of the association that no act is as difficult to understand as that act to which I just referred, which was passed by parliament. In saying this I am not criticizing the government, because no matter which party is in power, Liberal, Conservative, or even NDP, the drafting of tax laws is an expert's job. And, Mr. Chairman, hon. members listened this afternoon and for three quarters of an hour this evening to the biggest drivel you ever heard. I ask you, Mr. Chairman, would you trust any

one of those people to my left—and I say this to the press as well, even though only one press man out of 70 is in the gallery—would you trust any one of them to do your tax return? Those people are terribly ignorant about tax matters.

Mr. Rodriguez: I suppose you are an expert?

Mr. Saltsman: Mr. Chairman, I rise on a point of order.

Mr. Woolliams: There is ignorance personified.

Some hon. Members: Oh, oh!

Mr. Saltsman: Mr. Chairman, considering from where that remark has come, I will not even ask for withdrawal. The hon. member in his rhetorical question asked if any people would trust us to do their income tax. The answer, of course, is that it depends on whether you are rich or poor.

The Chairman: Order, please. The hon. member is entering the debate. He and other members of his party have had a chance to speak without interruption; I think he ought to let the hon. member for Calgary North continue.

Mr. Woolliams: Mr. Chairman, I appreciate that interruption. When talking about child care deductions hon. members on my left covered the whole scope of income tax. Mr. Chairman, every day I sit close to the leader of the NDP; although I am not in my seat at present, this debate being in committee of the whole. Mr. Chairman, every day the leader of the NDP rises to criticize the government with regard to unemployment. Really, what the hon. member's party says—and I should like the Liberals to listen—is this: if a person makes a profit or earns a high salary, unless you tax him right down to the poverty level there is something wrong with the country.

I say people must have the right to a profit, since profits lead to investment. You should be able to make a little money, because then you can invest in the industrial development of the nation. But the NDP wants to bring us all down to one level. Really, when they talk about 30 per cent unemployment here, 20 per cent there, and 10 per cent in Quebec, the NDP are saying this: tax everybody to death; give the money to various organizations or spend it on phony programs, and then blame the government for unemployment.

Some hon. Members: Hear, hear!

Mr. Woolliams: Really, that is what we are talking about. Mr. Chairman, I have been here for a long time. We have witnessed an NDP filibuster. But then, they are merely trying to maintain their votes, the votes of people with a certain level of income. They are trying to show that they have done their job on behalf of those people.

Some hon. Members: Oh, oh!

Mr. Woolliams: I am glad you are yelling and shouting. That party is trying to hang on to its votes, trying to show that it is doing its job. Let me deal with what they talked about earlier.

Mr. Rodriguez: How do you know what we said? You were not here this afternoon.

Mr. Epp: We told him.

Mr. Woolliams: Those hon. members discussed the child care expenses, and in so doing covered the whole field of income tax. That brings me to my point concerning the Income Tax Appeal Board. When you, as a taxpayer, raise a matter coming under section 21, or any other section before the appeal board, if you win your appeal the Crown will not disclose what cards it has up its sleeve. When I speak of the Crown I am not speaking of the minister; my remarks in this regard are not meant to criticize the government.

Some hon. Members: Hear, hear!

Mr. Rodriguez: The same old gang.

Mr. Woolliams: Hon. members on my left should consider what is happening in Manitoba and Saskatchewan; they can laugh if they like, but we are not talking specifically about governments; I am talking about the tax act. If the taxpayer wins his appeal before the appeal board, the Crown will not disclose its cards. If it does not like the board's decision, it can take the matter to the Federal Court. Mr. Chairman, in Federal Court you are not allowed to say that you won your case before the Income Tax Appeal Board. You start from scratch. Therefore, you might as well scratch out the Income Tax Appeal Board, because it does not work to the advantage of the taxpayer. No matter whether he has raised any question coming under section 21, 22 or 23. I hope the minister and his officials will take my remarks into consideration. I say, if you are going to have an Income Tax Appeal Board, give that board some powers.

This afternoon the NDP tried to make representations on behalf of the little taxpayer.

Mr. Rodriguez: I suppose you are one.

Mr. Woolliams: Hon. members on my left can laugh and shout, but they are not really concerned about the rich or the poor. They are concerned about the fact that they now have the best jobs they will ever have in their lives.

Some hon. Members: Oh, oh!

Mr. Woolliams: I raise the point concerning the Tax Appeal Board because I happen to know something about it. I know that if you take your case to the Income Tax Appeal Board and win it, you might as well forget it, and I will tell you why. The Crown is not worried if you are rich or poor, but it is worried in case the appeal board decision sets a precedent which could affect many people, be it one million, 100,000, 10,000, or any number you can think of. The fact that you have won your case before the appeal board has no weight at all at the Federal Court level. I therefore say to the minister, if

there is to be an Income Tax Appeal Board which is empowered to render decisions, surely one should be able to appeal the board's decisions to the Federal Court in the same way as one can appeal in the appellate court of a province a decision handed down in the superior court.

I did not realize the situation was quite as bad as I have painted it until I listened last week to a Canada Bar Association lecture. As things now stand, the appeal board is a nullity because it does not matter if you win or lose your case. If the Crown thinks you have a good case, it will not disclose its cards before the appeal board, but will wait for the case to be heard in Federal Court. I ask the minister to look into this question. Perhaps some of the problems which even NDP members raised in committee might be solved more cheaply at the lower level, because if you must go to the Federal Court, you have to hire lawyers, and the whole process is much more expensive. Who can afford to go there? These are important matters.

● (2050)

I now want to move on to something else. We have been talking about the whole realm of income tax. This is an important clause to many people, but there is something even more important. All across this country people are struggling to get a house. Some may have a little savings that they can put into a second house, a small farm on the prairies or small piece of land in Ontario or Quebec. One of the most destructive things with regard to investment has been the capital gains tax. I will state why.

A person may have invested his savings in a small piece of property. At age 65 he will be going on pension and may want to sell that property. The valuation was set on January 1, 1972. I am not talking about rich people. I am talking about those to my left who preach their drivel. They are the ones who wanted the capital gains tax for every farmer in Saskatchewan, Manitoba and Alberta.

Some hon. Members: Hear, hear!

Mr. Woolliams: I will bet that when my friends to my left go to Saskatchewan they do not tell the public they were the ones who were in favour of it.

Some hon. Members: Hear, hear!

Mr. Saltsman: Mr. Chairman, I rise on a point of order. I realize it poses quite a difficulty for Your Honour to hear me over the noise that is going on. Nevertheless, I believe I have a legitimate point of order. As much as I admire and respect the hon. member for Calgary North I am sure he would not want to leave a misleading impression in this House. If he will go back to the debates on capital gains to which he referred, erroneously I am afraid but I am sure it was unintentional, he will find that while we were in favour of full taxation of capital gains, we made it very clear during the entire time that the family farm was to be exempt. We are for motherhood just as he is.

The Chairman: Let us say that was a point of clarification.

Mr. Woolliams: It is time we had a debate like this. The only reason they get up is because I am telling them the truth. They cannot stand to hear the truth.

Some hon. Members: Hear, hear!

Mr. Woolliams: The fact is that if you go through the committee records and the records of this House you will see that the NDP were for capital gains taxes. If it had not been for this party, we would not have had the amendments to protect the average man and the family farm.

Let me get back to what I was talking about, the little person. Whenever I do that, the NDP members get irritated. They try to leave the impression that they are like God and the angels, the only people to look after little people.

The average income earner may buy a small house or little piece of property. Immediately he sells it he must prove the evaluation to the department. These people who are elected to the NDP like bureaucracy. Therefore you have to hire an appraiser and an accountant and get other expertise to prove the valuation, or else the tax department will gouge you. That is where the NDP should be directing their attention, instead of peddling that drivel they have peddled all night. Socialism led to unemployment and the destruction of the United Kingdom. It would destroy Canada if this government ever followed their example.

Some hon. Members: Hear, hear!

Mr. Rodriguez: Conservatism destroyed it.

Mr. Woolliams: I can answer that very easily. The hon. member says conservatism destroyed Canada. We have not been in power that much in Canada since John A. Macdonald left the scene, to destroy anything.

Some hon. Members: Hear, hear!

Mr. Woolliams: However, that party was in power in Manitoba, Saskatchewan and British Columbia and we know of the destruction there. It is very difficult with a debate which I hope I am leading tonight—

Some hon. Members: Hear, hear!

Mr. Woolliams: Maybe this is the only night I will lead the Tories. At least I am bringing some life into the Chamber. It has been dead all day. The NDP filibustered all afternoon on clause 21.

An hon. Member: What are you doing?

Mr. Woolliams: This is the first time I have spoken on this bill, but it won't be the last.

Some hon. Members: Hear, hear!

Mr. Woolliams: Under the general administration of the Income Tax Act, you can have an assessment in 1972, one in 1974, one in 1975 and one in 1976. It can all be approved by the department. All of a sudden, the person who wants to sell

comes to my office to his member of parliament and says that the bureaucracy wants to reassess him because they do not agree with clause 21, even though that person has had approval for four years. I want to make a very serious suggestion either with regard to this clause or the next. We need a group of men and women in the department who will meet with the ordinary taxpayer and say to him, "If you have done A, B and C, that will be it and it will not change in three or four years."

The ordinary taxpayer does not have the accountants of the CPR, Canada Permanent or the Royal Bank. He has to rely on himself or possibly one accountant. What we need in the department is a small group to sit down with the taxpayers and tell them, "If you make this move, this will be your tax position, this is the amount of tax you will pay and it will not be changed in three or four years because of someone reinterpreting the act."

I have had a lot of experience with the department in Calgary. I have worked with top accountants in reference to these matters. There is the finest group of men and women in the public service. Unfortunately, many times a problem affects many taxpayers. Therefore it cannot be settled in Calgary, or even in Regina, or Winnipeg. It must be done in the east. Instructions come from the east because if a precedent is established with regard to one taxpayer, it could change the whole tax picture and, of course, the flow of revenue.

I will be open with the minister. I think he has looked at the picture in a tougher and more realistic way than his predecessor. He has been, in the circumstances, with inflation and unemployment, a pretty able and reasonable Minister of Finance.

● (2100)

Some hon. Members: Hear, hear!

Mr. Gilbert: You are preaching for a call. Next week you will be supporting John Turner.

Mr. Woolliams: That's fine. You can yell or shout. You can do that from the stomach or from other parts of your anatomy but not your mouth, if you have a brain. What I would like to say is this: please get together a group from every part of the Department of National Revenue, whether it is Calgary, Vancouver, or right across the board, and have a group the average taxpayer can go to and say, "If I make this move will it be accepted today or four years from today?" That will win the NDP a few votes which have faded ever since I have been here. That is a recommendation which I make tonight—and I know something about tax law. I have listened to members of the NDP—

Mr. Rodriguez: You were not here!

Mr. Woolliams: Yes, I was here. I have listened to you people. I will back my attendance against you, you little—you know what I mean—any time. But take these three recommendations I have made. It doesn't matter what is put into the act, because if it is interpreted in a certain way by the department the taxpayer doesn't stand a chance.

[Mr. Woolliams.]

I ask the minister to take a look at what the capital gains tax is doing to the little person. Let us have some way of assessing the effect of the capital gains tax without needing to consult a lawyer, an accountant, and an appraiser. Arrange things in such a way that if a taxpayer has a problem he can go to the department and get a decision made, a decision which will not be reversed in four years time, upsetting his whole economic applecart. That is what I am asking, and these are the problems the taxpayer is worried about more than the nonsense I have listened to today. Those people—and I will say this about the NDP—want to take all the money away from anybody who makes more than $10,000, except themselves.

An hon. Member: We don't!

Mr. Woolliams: Oh yes, parliamentarians do. It is the best job you will ever have, young man.

Mr. Rodriguez: You devil!

Mr. Woolliams: I am a devil because I am telling you the truth. The devil has to tell the truth sometimes.

Mr. Rodriguez: I got elected.

Mr. Woolliams: I know. That was an accident and it will never happen again. Those people over there preach these things. They want to take all the money from all the little people, from business, from the corporations so that there is no investment, and when people are out of work they will say to the taxpayers I have mentioned, "Aren't you terrible? You have caused unemployment." But that party's economic principles are such as to ensure built-in unemployment.

Some hon. Members: Hear, hear!

Mr. Crosbie: Mr. Chairman, first of all, I want to congratulate the hon. gentleman who has just resumed his seat. He made what was certainly the most sensible speech we have heard this evening. It is indeed good to hear a man who doesn't hesitate to express his mind.

I do not have a long contribution to make to this debate because I was not aware what it was about until I heard the speech made by my hon. friend from Calgary North. But since this seems to be a wide-ranging debate and since it does not seem altogether necessary to keep to the point, I should like to put one or two questions to the minister.

My hon. friend was most eloquent when he spoke about the need for the bureaucrats and the rest to look after the small taxpayer. I have a question about a large taxpayer. I think the way in which his case is being treated is a public disgrace and I want to know when it will be proceeded with and when justice will be done. I refer to the case of John C. Doyle, the owner of Canadian Javelin Limited and the man who controls it or who owns 18.2 per cent of the shares.

Some hon. Members: Order!

Mr. Crosbie: Mr. Chairman, if we had the TV cameras here tonight there would be no fear of the NDP ever getting into power.

Some hon. Members: Hear, hear!

Mr. Crosbie: Their strong point is pretending that only they have decent perceptions—that they are the only decent people in Canada, the only ones who care. We are sick and tired of their hypocrisy. They pretend, the NDP, the party of newly decent perceptions, that they and they only have the welfare of the public at heart. That is the line they hand out all across Canada. Well, it doesn't fool me. There is not a member of the NDP who has the public interest more at heart than I do, and their blatherskiting about how they are for the small man, the little man, is enough to make anyone throw up.

Some hon. Members: Hear, hear!

Mr. Crosbie: We have had to sit here listening to their blather hour after hour, and now they will have to sit and listen to ours.

The point I am making has nothing to do with the small taxpayer. It has to do with a large taxpayer, a fugitive from justice, the man who has had control over Canadian Javelin Limited for the last 20 years and who has taken money from that company in every way, shape and form, and who has diddled the shareholders of that company year after year, and the law is apparently powerless to do anything about it.

There are 18,000 unregistered and some 12,000 registered shareholders of Canadian Javelin Limited. The company's shares are no longer listed in most of the registries and do not trade. The gentleman in question now resides in Costa Rica and Panama, because if he comes to Canada he faces 406 charges under certain sections of the Criminal Code, and two for criminal fraud in Newfoundland. But he still has control of the company. And he still owes the Canadian government in excess of $4 million under a judgment delivered in the Exchequer Court five years ago by Mr. Justice Hugh Gibson. That judgment was appealed by Mr. Doyle. Five years later, Mr. Chairman, the appeal has still not been heard and the amount is still outstanding.

I would like the Minister of Finance or the Minister of National Revenue to tell me what is being done about the large taxpayer—

Some hon. Members: Order!

Mr. Crosbie: —and why this matter has not been brought before the appeal court long hence. Will it, in fact, be brought before the appeal court?

An hon. Member: Order!

Mr. Crosbie: What do you mean, "Order"? There has been no order in these matters. I should like the minister to tell us what has happened in this case.

An hon. Member: Order!

Mr. Crosbie: If somebody has a point of order to raise, I am willing to sit down and listen. This is not order, it is disorder when a situation of this kind confronts us in the courts and nothing is being done about it. I want that matter attended to and I shall be asking other questions about it.

While we are considering the Income Tax Act I should like the minister to get me some information as to the effect on provincial revenue of his arbitrary and unilateral amendment to the act several years ago when he indexed income taxes.

• (2110)

The minister opposite in the government of Canada collects income tax not only for the government of Canada. He also collects the federal corporation tax for at least eight provinces, perhaps nine. He also collects the provincial corporation tax. In his budget of two years ago, I think it was—I do not have all my notes here tonight so some inexactitude might be forgiven me—he indexed income tax without consultation with the provinces, without asking the provinces what they thought about that. He brought down his budget and in his budget indexed personal income tax.

Well, Mr. Chairman, that is all well and good. If the federal government can afford to index personal income tax—and heaven knows, they can do so because they have all of the tax sources in Canada, direct and indirect—then that is fine. But there are provinces which cannot afford any loss of revenue. Because it is a more efficient system and it suits the Government of Canada better to have certain provincial taxes collected by the federal government, the federal government collects personal income tax and corporation tax for seven or eight provinces. To do so these taxes must be uniform in their application or the minister cannot very well collect taxes for the provinces.

The hon. gentleman therefore made a change which applied not only to federal personal income tax but to provincial tax as well. I should like to know, as a result of this arbitrary action taken without consultation, what it costs the various provinces of Canada to have the income tax collected. I understand that it is costing the provincial government of Newfoundland this year some $30 million when you take into consideration not just the tax collected directly but its effect on tax equalization. The province of Newfoundland alone has lost $30 million of its revenue. This is money that the Minister of Finance took away from the province without so much as a by your leave, and without ever offering to replace the revenue he took away from those provinces whose income tax he collected.

That is one reason—there are many others—why we have the present state of federal-provincial relations in Canada today. It is the reason why the provinces are calling out for more decentralization and for a change in the distribution of powers. It is not the constitution which is all that much out but the way that it is administered. Nothing is more irritating and aggravating to provincial governments than to have the federal government make a change like this without even consulting them and agreeing to compensate them for such a change, so I would be interested to see those figures if the hon. gentleman

would get them. He may not be able to get the figures showing what the loss of tax equalization might be, but if he can tell me what it costs the various provinces, including the province of Newfoundland, by way of lost tax revenue from the change that he made, I would appreciate it.

I believe these are the only two points that I want to put forward tonight, unless some hon. gentleman down in the corner says something that might irritate or aggravate me, in which case I will be on my feet again. We are not worrying about the NDP up here in this corner because we know they are nothing to worry about. They are a necessary irritant, like a burr under the saddle. It does us some good to have them around, because when there are a few of them around you realize what you would suffer if they ever formed the government. As I have said, and NPD government would comprise a cabinet of about 30 incipient Otto Langs; at least that is the way I look at it. They know what is good for us, and by golly we do what is good for us or they would know the reason why. It would be user-pay multiplied about 100,000 times if those gentlemen ever got into power.

Mr. Macdonald (Rosedale): Mr. Chairman, I think hon. members would want me to irritate the hon. member for St. John's West just a little bit to have him keep going. I have known him in some different capacities over the years and I never cease to find him an entertaining man when he is on his feet.

With regard to his two points concerning Mr. Doyle, very happily the Minister of Finance does not have custody of tax administration; my colleague, the Minister of National Revenue, has that. Indeed, if the matter has gone to litigation and is before, I guess, the Federal Court of Appeal at this point, it would be a responsibility shared with my colleague, the Minister of Justice. I cannot, therefore, answer this evening the status of that particular suit, but I would be quite prepared to make inquiries and if this is not a matter of confidence on behalf of the taxpayer—and if it has come to the point of litigation—then I would be glad to let him know.

On the question of indexing, it is quite true that both federal and provincial revenues have been affected by the decision of this government several years ago to introduce indexing of personal income tax. We calculate that as of January 1, 1977, with the indexing which occurred then, on an annual basis for 1977 about $1,250 million of federal and provincial income tax will be left in the hands of individual taxpayers which, but for the indexing, would have been collected under our taxation system.

Mr. Woolliams: That was Stanfield's policy.

Mr. Macdonald (Rosedale): As the hon. member for Calgary North points out, that was the policy of the member of parliament for Halifax. Indeed, we have been castigated over the years by the hon. gentleman's colleagues for having adopted that particular policy. As I say, Mr. Chairman, he is always a refreshing speaker, but not the least when he is doing things, as Frank Sinatra would say, his way, rather than the way of his party generally.

It is true that revenue has passed out of the government's hands and back to the taxpayer. If you talk about decentralization, that is almost the best kind of decentralization to have if you can possibly have it—leave the money in the hands of the people and not take it away by tax.

If the provincial governments, like the federal government, needed additional revenue they are not powerless in this regard; they could have changed the rate and recovered it. But the fact of the matter is that, despite all the protestations at federal-provincial meetings, there has been pretty general acceptance of that and of the decision that was made.

Mr. Saltsman: Mr. Chairman, during the remarks of the hon. member for Calgary North and the hon. member for St. John's West, I felt very strongly that I really had to rise on point of order after point of order, but I restrained myself knowing that the Chair would at some point recognize me. I think it is important, particularly to the hon. member for St. John's West who seems to be very concerned about whether we in the NDP think he is decent, that he should know that I have spoken to every single one of my colleagues here and we all agree that he is decent. We all agree that all the Conservatives are decent. As a matter of fact, we never listen to what the Liberals say to us about the Conservatives. So we say he is decent and he is not to worry about it. We think you are all decent fellows.

We have been speaking for quite a long time on this clause in the bill, and I have to tell you frankly, Mr. Chairman, that we were getting to the point where we were having a little difficulty. After all, our voices were starting to give out, and so we appreciate the kind of assistance that we have been getting. We have been sitting here day after day arguing this bill, trying to get the Conservatives to state a position. While I do not like closure and we have all spoken against closure, the fact that closure has been brought in has seemed to prompt some members to rise and speak.

I want to say a couple of other things, particularly to the hon. member for Calgary North. I want him to know that I am not against rich people—some of my best friends are rich people. We are for everybody. I do not talk about it too often in public but I must admit that we do not have anything against rich people; the only thing we are concerned about is that the rich people do not get any richer than they are—that is all. I also want to say that it was not very nice of the hon. member to have made the remarks he made about the election of my colleague, the hon. member for Nickel Belt, having been an accident.

• (2120)

Mr. Woolliams: He said himself he got lucky.

Mr. Saltsman: The first time he was elected it might have been an accident—these things can happen to anybody—but the second time it was wilful mischief on the part of the people of Nickel Belt. They elected him deliberately and they sent

him here so that you could take the measure of this man. You must admit that you know he is around. Whether you may agree or disagree with some of the remarks that my friend may sometimes bring to the attention of the House, I am sure nobody would say that he hides his light under a bushel. He makes sure that the brilliant light that emanates from him is distributed evenly toward everyone.

I think there is something else that should be said. In putting forward the arguments we have on behalf of people in Canada who are not quite as rich as other people, we may not have been as successful as we had hoped in moving the hard heart of the Minister of Finance. After all, one of the qualifications for being Minister of Finance, even if you have a nice, soft heart, the way the minister used to have before he became Minister of Finance, is to be like that. Once you become Minister of Finance, there is a kind of needle that they have in that department which they jab into you which hardens the arteries, the heart, and occasionally the head. But I am grateful for one thing.

Perhaps we have not moved the Minister of Finance, but as people who believe in making love, not war, we are just delighted to see the Liberals and the Conservatives falling in love with each other all over again. It is really very touching to see this kind of affection taking place. During the day we hear them calling each other names, but we know it is a lovers' spat, we know it is not for real. They are calling the other side all kinds of terrible things. They are saying the Liberals are guilty of all kinds of scandals and that they are depriving people of civil liberties, but this is just like a family. You know deep down that when it is something important such as taxes which affect the rich man's pocket book, they are in love again.

Some hon. Members: Hear, hear!

Mr. Saltsman: These are lovers' spats; they are for the neighbours.

Mr. Paproski: You should know, Maxi.

Mr. Saltsman: The hon. member for Calgary North said that this is the best job we will ever have in our lives. He may be right. I bet some of us have had pretty rotten jobs in our lives. I do not know what jobs he has had in his life, but most of our guys have had pretty rotten jobs, just like the people in Canada have. That silver spoon was not placed in our mouths at birth. There may be better jobs than this, and I am sure there are worse jobs. I do not crab about the job. The food is not bad and the pay is not bad but, as my mother-in-law says, it is not a very steady job.

Mr. Woolliams: You yourselves voted against an increase in pay. That has always amazed me.

Mr. Saltsman: You amaze very easily.

My friend, the hon. member for Calgary North, spoke about the accident of the election of the hon. member for Nickel Belt. I can assure him that it is not as easy even for New Democrats to be elected in Ontario as it is for a Tory to be elected in Alberta. You do not even have to show up to be elected in Alberta.

Mr. Paproski: You try it, Maxi.

Mr. Saltsman: If I were a Tory I would be a shoo-in in Alberta, but not being a Tory—

Mr. Woolliams: I would not want the hon. member to be historically wrong. When I first ran, there was one member from Alberta who was a Conservative—the rest were all wise men; they were the Social Crediters. I must tell you that I was the first member ever to be elected from Bow River. I would also remind the hon. member—and the former premier of Saskatchewan would know that—that I left home with a grade eight education and took all my high school grades by correspondence. If that is a silver spoon, I can tell him I do not understand silver, but I did find out one thing, that once they had a CCF government in Saskatchewan, they found out what silver was like.

The Assistant Deputy Chairman: Order, please. I suggest the hon. member get back to the debate on clause 21 of the bill.

Mr. Saltsman: Thank you, Mr. Chairman. Now we can head back to a somewhat more serious discussion.

An hon. Member: How did you like that commercial?

An hon. Member: I wish we had television in the House.

Mr. Saltsman: I am glad to learn that the hon. member for Calgary North was not born with a silver spoon in his mouth—it might have been a brass spoon, but not a silver one. Nevertheless, I want to say one thing to him. The remarks we are making are not of a personal nature. We know he is a fine, upstanding Conservative. As to how the Conservatives replaced the Social Crediters, the thing happened so that almost nobody noticed. They went out, changed their hats, and came back and said, "Yesterday I was a Social Crediter and today I am a Conservative".

The Assistant Deputy Chairman: Order, please. The Chair would once again remind the hon. member that we are on clause 21 of the bill. I would appreciate it if he would revert to speaking on that clause.

Mr. Saltsman: You will have to excuse me, Mr. Chairman. I know you are a very tolerant and distinguished gentleman and certainly one of my colleagues in the House, but let me point out that we in this party have been trying to maintain the rule of relevancy until we got the lecture on relevancy from my friend, the hon. member for Calgary North. If I recall correctly, he accused us of going all over the subject matter of income tax since we were on the clause dealing with child care, and after lecturing us in the NDP about the rule of relevancy, he then proceeded to talk about the appeals court, capital gains, the family farm, the general administration of the Income Tax Act, and the Federal Court. So I am afraid that the rule of

relevancy has been stretched tonight, and I regret it because I think it is important to stick to the point.

It is to the point to see the way this debate is developing. It is very funny to take off on each other, although it is a shame in a way, but I think one thing is quite clear, that is, where the Conservatives and Liberals stand. We do not accuse people in other parties of not being decent, of not being honourable, of not caring, but they have a different perspective, a different view. Their idea of what the little man or the common man is, is a lot different from our concept of him.

Mr. Woolliams: The little man knows this too.

Mr. Saltsman: When we come to the House of Commons and are asked to bleed for John Doyle in talking about the little man, we say that John Doyle may be worthy of that, but he is certainly not a little man. This is the kind of confusion which always exists in these debates.

I am glad that this intervention, as goofy as it may have been, has taken place because people have taken part in the debate. There is a kind of anger that erupts. What are they worried about? There are 16 of us sitting here. You would think we were the government of this country. In some ways we are the government of this country. Certainly when it comes to standing up for ideas, and to standing up for people for whom nobody else will stand up, we are the government of this country and in that sense we represent that constituency. I take pride in the fact that we are attacked from that side and from the other side. As a matter of fact, sometimes you do not know how well you are doing from what your friends are telling you, but you certainly know you are doing well when you take a look at your political enemies.

● (2130)

Mr. Brisco: Mr. Chairman, for some days now I have been hoping against hope that the members of the NDP would have the common sense to realize that they have long since run out of arguments with reference to clause 21 and that they have wasted the time of this House.

Some hon. Members: Hear, hear!

Mr. Brisco: They openly declare that they are the favourite sons of John Q. Public and the upholders of liberty, righteousness, and justice. They say they are for the little man and for the poor, downtrodden masses. They say that they can tell a Liberal or a Conservative by looking at him. Well, I want the House to know that I can tell members of the NDP by looking at them because they have three qualities. Most of them have that whining voice of complaint, and all of them have hemorrhoids to give them that look of concern.

Some hon. Members: Hear, hear!

Mr. Symes: And the hon. member has diarrhea of the mouth.

Mr. Brisco: I question the veracity and the integrity of a group which would delay the passage of this bill and which says it is the upholder of John Q. Public and the downtrodden masses, and yet its members are not prepared to address themselves to the problems dealt with in this bill dealing with the blind, the chronically ill, or to the problems regarding farms transferred from fathers to sons. None of these issues which are important to John Q. Public has been mentioned by the members of the NDP. They are stuck on clause 21, and they do not give a damn about invalids in wheelchairs for the rest of their lives, or about people who are chronically blind. If they did, they would find those parts of the bill and deal with them. I think their conduct is reprehensible.

Some hon. Members: Hear, hear!

Mr. Epp: Parliament lives.

Mr. Rodriguez: Mr. Chairman, it is because we are very concerned about the low income earners of this country that we are concerned about the way the income tax structure is designed. It does not ensure that there is a redistribution of wealth in this country.

We certainly have no quarrel with the proposal in clause 21. All we are saying is that the income tax structure of this country should be examined.

Mr. Woolliams: You are enlarging your lectern.

Mr. Rodriguez: We know where the hon. member for Calgary North stands. He stands foursquare with his buddies across the way. I am never more conscious of the club atmosphere in this House—

Mr. Woolliams: What about the adultery between Lewis and Trudeau? Have you ever thought about that?

Mr. Rodriguez: —than when we get talking about changes in the income tax structure. This party tries to hold the government liable for the promises it made with respect to changing the income tax structure and making it more equitable with regard to redistributing the wealth of the country. Can the minister tell me why one man in this country can earn $375,000 because he is the president of a corporation, and another man who works in a car wash—

Mr. Epp: What about your union bosses?

Mr. Rodriguez: —in Toronto can make $8,600 a year? What is there in this system which allows one man to earn so much more every year?

Mr. Neil: Should they all be paid the same amount?

Mr. Woolliams: Mr. Chairman, I would like to ask a question which I am sure the hon. member will understand. Why is it that some union members make $100,000, some make $50,000, and some make $8,000? What determines that discrimination?

Some hon. Members: Hear, hear!

Mr. Rodriguez: At least we know that the union members bargain for that.

Some hon. Members: Oh, oh!

Mr. Peters: That is the free enterprise system.

Mr. Rodriguez: That is the free enterprise system. That is the system in which inequities like that exist. I would like to know what the yardstick is for that. If we have these income disparities, surely it is the job of the government, through the income tax structure, to take from that person who is getting so much out of the economy and to redistribute it to those who are at the bottom end. Surely such things as registered retirement savings plans, which allow a man to borrow money and write off the interest on his income tax, and then turn around and write off the amount he has put into the retirement savings plan, should not be superimposed on our tax structure. Surely it does not help the income tax structure and the redistribution of wealth to let a person claim $1,000 more for his wife per year and $1,000 for himself, and then to allow them to split it up when they come to the age of 71.

Is the minister telling us that plans like the registered retirement savings plan are supposed to gouge the income tax system? I thought it was supposed to be used to save for retirement years. All the advertisements of banks, finance companies and insurance companies are saying: "Come in, and we will show you how to get around the income tax structure". Is that what the system is all about?

Mr. Woolliams: That is what Canada is all about.

Mr. Rodriguez: It is not about that. Surely Canada is not about making the rich richer.

Some hon. Members: Oh, oh!

The Assistant Deputy Chairman: Order, please. The Chair has difficulty hearing the hon. member for Nickel Belt. He was recognized a while ago. Would hon. members please grant him—

Some hon. Members: Oh, oh!

Mr. Rodriguez: I am sure the hon. member for Calgary North will agree that Canada is not a cow for certain elements to milk for their benefit.

Mr. Woolliams: Mr. Chairman, I rise on a point of order. At one time in my life I milked cows. I used to milk them, but I have never before listened to a stripper.

Some hon. Members: Hear, hear!

Mr. Rodriguez: The hon. member for Calgary North may have milked cows, but now he milks the people of Canada. Canada is not a cow which a few milk for condensed milk, and the rest get skim milk.

Mr. Neil: You have never been on a farm, that's for sure.

Some hon. Members: Oh, oh!

Mr. Rodriguez: Surely that is not what Canada was designed for.

Mr. Woolliams: What about clause 21?

Mr. Rodriguez: When we come to clause 21, we find that it is superimposed on a structure which has all the distortions which we have tried to stress. It is very poignant to note that the Tories were prepared to pack this in a long time ago and get into bed with their buddies across the way with that in mind. It seems to me we have used this time fruitfully in an effort to bring up relevant questions about the way the income tax structure has been developed in this country.

• (2140)

The Chairman: Shall clause 21 carry?

Some hon. Members: Agreed.

Clause agreed to.

Clause 22 agreed to on division.

Clause 23 agreed to.

On clause 24.

Mr. Symes: Mr. Chairman, this clause, I understand, will eliminate the principal business test for a 100 per cent write-off of Canadian exploration expenses for taxation purposes. I understand that previously someone in business could write off 100 per cent while investors whose principal business was not natural resource oriented could only write off about 30 per cent. As well, government incentives such as drilling incentives or provincial aids to encourage increased exploration, are not required to be handed out with the exploration expenses before calculating exploration development deductions.

I should like to try to put this clause into the context of what has been happening in the resource industry in order to try to assess whether the amendment before us will have the desired effect of spurring exploration for oil and energy. I therefore look at the largest oil company in Canada and its record of exploration, and I have some serious reservations about the effect of the clause.

Through advertisements on television we find that Canada's largest oil company, Imperial Oil, needs more revenue to explore for new oil. According to the oil industry we are rapidly running short of this precious resource. But is that really true? Does the oil industry need more incentives through the tax system to encourage it to explore? I should like to look at the history of Imperial to argue just the opposite.

In 1972, the last year before the international oil price increase, and in 1975, we find the production levels of this company were virtually identical. There was a dramatic change in the earnings of the company between 1972 and 1975 and we should try to find out how this affected exploration. In 1975 their revenue was $4,047 million, an increase of 98 per cent over the 1972 revenue of $2,104 million. In 1975, the profit after taxes was $250 million, an increase of 65.6 per cent over 1972. A very important category if we are talking

about exploration budgets is the cash flow which was $464 million in 1975, an increase of 53.6 per cent over 1972.

What happened to the company's oil exploration budget when it earned this record income in 1975? Remember, Imperial has been advertising about the big, tough, expensive job of exploring for oil, and telling how it needs more revenue and less taxes if new energy sources are to be found. What was the exploration expenditures in 1975 after these record earnings? It was $74 million, the exact same amount as it spent in 1972. It has been making the argument on television and in other media that it needs more money through price increases to the consumer for oil and gas. That does not hold water—should I say oil?

Mr. Gilbert: Gas.

Mr. Symes: In the light of the record of earnings of this company and its exploration budget, what has it been doing with the profits? Certainly it has not been putting them into exploring for new oil. It has been diverting money into the Syncrude project in Alberta because of the tax incentives built in through special legislation passed in this House a few years ago. That legislation exempts Imperial from federal corporation tax on its provincial royalty payments, and under the system the company can write off $4 for every $3 invested in Syncrude.

In light of that kind of record of financing of exploration, and in light of the other tax incentives in existing legislation which urge Imperial to divert funds from exploration into projects like Syncrude, I wonder what this amendment will do to enhance exploration in this country. It is an attempt to get further funds from other investors put into energy exploration, but when the companies themselves have other priorities that the income tax system seems to dictate to them, I do not think this clause will have the desired effect.

In light of past experience what guarantee is there that this tax amendment will promote energy exploration? I think Canadians will seriously ask this question. Companies claim they do not have enough incentive to explore from the recent increases in the price of the wellhead barrel of oil but companies again have produced record profits for 1976. If we break down the wellhead price of a barrel of crude oil as of January 1, 1977, $9.75, we find that the cost of producing that barrel of crude oil is 68 cents; provincial royalties in Alberta, for example, account for $3.90; federal income tax, $1.54, but the profit on that barrel of oil is $3.63, or 40 per cent of the total price. I submit that there are enough existing revenues to promote exploration for oil for the benefit of Canadian consumers.

● (2150)

The multinational oil companies which control 90 per cent of this country's oil industry at the moment are not serious about developing new energy reserves. They are playing the scarcity game, predicting shortages so that consumers and the government will be panicked into accepting ever higher prices. One should consider the situation in the United States today. There natural gas is in short supply, mainly because of a poorly designed distribution system, and because, as some think, there has been collusion on the part of energy companies to keep energy supplies at low levels. This has been done because the companies want to press for changes to oil and gas legislation now before the Congress of the United States.

One must ask, considering recent events in Canada, can the oil and gas companies be trusted? Only a few years ago they were predicting that we had enough oil available to last us for many decades. Of course it was in their interest to say that because they wanted to export 50 per cent of Canada's oil production. When the world price of oil went up and the Canadian price remained comparatively low, it was to the advantage of oil companies to change their song, to change their predictions. Suddenly we learned that estimates of reserves had been revised downward. The many billions of barrels of oil which we were previously told we possessed suddenly disappeared, and the oil companies said that unless they could charge the world price for oil in Canada they would not be able to explore for new oil reserves.

I have tried to show what has happened in the case of Canada's largest oil company, Imperial Oil. Although that company has made record profits and enjoyed a tremendous increase in cash flow, it has not carried out exploration, exploration which would reassure Canadians that more oil will be available. I therefore submit that clause 24 of Bill C-22 will probably be ineffective in the long run, and that the government in the past was manipulated by the oil industry. Having examined clause 24, it appears to me that once more the government is bowing to demands of the industry and has designed tax legislation which will unduly benefit the oil industry.

For those reasons I submit that we ought to look carefully at clause 24 and ask the minister and his officials to tell us what the effects of this clause will be. If the minister could guarantee that if we were to pass the bill, including clause 24, we should see an increased exploration for oil, and that we shall establish an ongoing monitoring agency to ensure that exploration will take place, I might be persuaded that clause 24 is of value. But, Mr. Chairman, when I consider the record of the oil industry, I have some reservations. I think of the Syncrude deal the minister was blackmailed into signing that fateful day in Winnipeg when he was accompanied by the then president of the treasury board and the Minister of Supply and Services. I just shudder at the thought that the present Minister of Finance, who was then the minister of energy, mines and resources, has proposed legislation of this sort.

Canadians have given far too great a tax advantage to multinational oil companies. The government is providing further tax incentives, and not only to energy companies which have enjoyed the advantage of a 100 per cent write-off. Any business, energy-related or not, will now be able to qualify for this 100 per cent write-off.

Mr. Rodriguez: No wonder the Tories like the Liberals.

Mr. Symes: Mr. Chairman, that makes one wonder about the government's priorities. Members of my party have examined various other clauses of this bill which are designed to give a greater dollar advantage in terms of income tax to upper income Canadians. It is obvious that clause 24 is designed to fit into that pattern as well.

Our income tax system is supposedly progressive. The percentage of income payable as tax ranges from a low level for low income earners to a somewhat higher level for high income Canadians. However, as I said this afternoon, and as other colleagues said this evening, the concept of progressivity based on ability to pay is subverted by the kinds of deductions for which the bill provides, because the percentage of income payable in tax at upper income levels is reduced.

I doubt if the exploration expense write-off provided in clause 24 will have the desired effect. I say this, bearing the history of the oil industry in mind, and because this tax law has been designed in the context of unfairness and inequity.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

GOVERNMENT ADMINISTRATION—POSSIBILITY OF EXISTENCE OF GUIDELINES GOVERNING ACCEPTANCE BY DEPARTMENTS OF FREE ADVERTISING

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my intervention this evening arises as a result of the question I raised on December 15, 1976, with respect to a matter which had originally been addressed by the hon. member for Hamilton Mountain (Mr. MacFarlane) to the Postmaster General (Mr. Blais). The hon. member for Hamilton Mountain, I may add, was subsequently elevated to the great office of Whip on the government side.

The hon. member for Hamilton Mountain had asked the Postmaster General if the Post Office had accepted a freebee from *Time* magazine, a freebee with respect to Post Office advertising in that particular publication. When answering, the Prime Minister (Mr. Trudeau) said he did not understand my question, that he did not know what a freebee was. I found this difficult to understand because in a number of instances during the past few years the term "freebee" has been used in the course of debate in the House of Commons. The Prime Minister, much to my amazement, was not able to understand in a very simple question asked of him during the course of the question period what a freebee was in terms of political activity. The Parliamentary Secretary to the President of the Privy Council (Mr. Goodale) appears to be very agitated and excited when I mention these things. I simply want to say that it is a term that is not in the Oxford dictionary, but indeed is in the dictionary of the cathetral of here and now in which we address ourselves in the House of Commons.

● (2200)

I say to the parliamentary secretary, who apparently is here tonight to answer this question, that a freebee can be defined on a number of occasions by actual performance of members of the Treasury Bench. Freebe is a very understandable term. Quite frankly, it involves a situation where the government and members of the government accept, without payment, a kind of reward that might in fact influence the activities or decisions of government. I do not suggest for a moment that is the case. However, we who are involved in the governmental process should be very concerned that we do not do anything that might in fact be interpreted by the public as being something that might influence governmental decisions.

When we talk about freebees, we may be concerning ourselves with the perception that people have of what government is doing and what government might in fact be inclined to do in the area of discretionary decision.

My question to the Prime Minister at the time simply asked whether there was anything in the government guidelines that might determine not only whether it would be appropriate but proper from the point of view of acceptance on the part of government of free advertising in the communications and publications industry. The time that I raised my question was after a question raised by the hon. member for Hamilton Mountain with regard to an answer by the Postmaster General (Mr. Blais) to the effect that the Post Office had accepted a freebee or overt gesture by *Time* magazine to try to improve the service of the Post Office by means of an advertisement placed in that magazine.

Although the question of influence peddling may not be legally provable in this case, certainly the practice of accepting free advertising from companies whose activities are directly affected by government legislation, such as in the case of *Time* magazine, is questionable. It suggests a serious lack of judgment on the part of the department and the government. It also bears a direct relationship to the use by ministers and members of parliament of aircraft owned and offered by private companies or foreign countries.

I mentioned at that time, when the Prime Minister evinced some surprise at the term freebees, a few examples he might consider, for instance, the use of private jets belonging to liquor companies, the use of jets belonging to a particular lobby group, the Canadian Bankers' Association, by the minister of consumer affairs at a time when the question of consumers affairs legislation was before the House. That association is involved in making representations to the government regarding amendments to the Bank Act, and other important legislation—

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

Adjournment Debate

Mr. Hnatyshyn: I simply want to end by asking the parliamentary secretary to tell me whether there are any guidelines, and whether he can explain to the House whether the Prime Minister has now discovered what "freebees" are.

Mr. Jacques-L. Trudel (Parliamentary Secretary to President of Treasury Board): Mr. Speaker, I believe the hon. member exceeded his time because he became involved in an explanation of freebees. I shall not attempt to follow his dissertation as to the description of freebees, but he was quite correct in saying that the question was first raised in the House by the hon. member for Hamilton Mountain (Mr. MacFarlane). I should like to draw his attention to the answer as reported in *Hansard* for December 10, 1976, at page 1868. The hon. member did refer to it, but I should like him to review that question together with the reply from the Postmaster General (Mr. Blais).

I cannot accept the suggestion by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) that this subject was dealt with by the Postmaster General in a facile manner. In fact he stated that the Post Office had not requested *Time* magazine to insert the advertisement in question, and that the Post Office was not charged for it; the advertisement was a gesture by the magazine, and he, the Postmaster General, considered that overt gestures of this nature were acceptable and consistent with efforts to improve services in the Post Office.

I understand—and this will answer one of the hon. member's questions—that the government has not issued guidelines regulating the acceptance of free advertising, nor is it evident that there would be a need for such a policy. However, if a need is demonstrated, further consideration would be given to the matter, and I am sure the remarks of the hon. member will be looked at carefully in that connection.

GRAIN—USE OF ELEVATOR SPACE FOR DURUM OR RED SPRING WHEAT

Mr. Doug Neil (Moose Jaw): Mr. Speaker, on December 13, 1976, as reported at page 1919 of *Hansard*, I asked the minister in charge of the Wheat Board the following question:

> In view of the storage space available in Canadian government elevators in western Canada, for example, some four to five million bushels in Moose Jaw, and in view of the fact that utilization of this space for Durum or Red Spring wheat would inject some needed funds into the western economy, would the minister undertake to instruct the Wheat Board to take immediate steps to utilize this space to the advantage of the producers and businessmen in the communities?

To which the minister replied:

> No, Mr. Speaker. I would not give that instruction to the Wheat Board. The Wheat Board is fully aware of the existence of that space and also of the extra cost involved in using it and the advantage of using it. I am sure they weigh these factors and come to conclusions which are in the best interests of farmers.

The Minister of Agriculture (Mr. Whelan), to whom I put a supplementary question, had this to say:

> I am sure the hon. member knows that these elevators cannot be used to the extent we would like them to be used unless the Canadian Wheat Board instructs that the grain be delivered there. Full utilization has to be with the full co-operation of the Wheat Board and the trade in general.

[The Acting Speaker (Mr. Ethier).]

In western Canada there are five government elevators. They are located at Moose Jaw, Saskatoon, Calgary, Edmonton and Lethbridge. These elevators have a total capacity of some 17,100,000 bushels. According to *Grain Statistics Weekly,* which is a weekly publication of the Canada Grain Commission, for the week ending January 19, 1977, there are presently some 6,634,000 bushels of grain in storage in those government elevators. If you deduct that figure from the 17,100,000 bushel capacity, there is storage space for roughly 10,500,000 bushels in these five elevators. Of that 10,500,000 bushels of available storage space, approximately one half, or 5,300,000 bushels, is available in the terminal elevator at Moose Jaw.

• (2210)

Now, Mr. Speaker, there is no quota, for example, on Durum except for those chosen few who were fortunate enough to receive a special quota for the two types of Durum, Macoun and Wakooma. I am concerned as to why the Wheat Board cannot set up a special permit to allow the other people who have Durum in storage to deliver and utilize those 10,500,000 bushels of available space in these elevators, or, on the other hand, to use the space to store Red Spring wheat and thus put additional money into the hands of the producer and into the economy of western Canada.

There has been a suggestion that it is too costly to utilize these government elevators, but it seems to me that it is costly to allow these elevators to lie idle or at least not to use them to maximum capacity. It is also costly to have boats sitting in Vancouver harbour for several weeks on end waiting for grain to be loaded. Over the year end, I understand there were some seven to eight boats in the harbour at Vancouver, and while I was unable to get the figures for demurrage, a Canadian Press report indicated that a Chinese boat in the harbour was costing the western farmer some $10,000 a day in demurrage. If my math is correct, that $10,000 would pay for the storage of one million bushels of grain for one month in one of these government elevators.

The Moose Jaw terminal has a capacity of 5,500,000 bushels and has a throughput of anywhere from 25 million to 30 million bushels a year. Yet according to the annual report of the Canada Grain Commission for 1975-75, there were only 34 million bushels put through the five government elevators in western Canada, and the historical average is only 20 million bushels.

The Moose Jaw elevator can dry, clean and place the grain to export standards, and it can load a hopper train of 100 cars a day. Those 100 cars will carry 330,000 bushels of grain—approximately a third of a million bushels, and the average ship carries a million bushels. So in three days the elevator at Moose Jaw—that is one of five—could send out sufficient grain to fill one boat and the railway can carry that from Edmonton, Moose Jaw, or Calgary to the west coast in two days, so there would be no need to have these vessels sitting in the harbour at Vancouver where we are paying demurrage. If anyone cares to look at *Hansard* of January 24 at page 2284,

in response to written question No. 687 by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn), they will find that in the period of one year from October, 1975 to October, 1976, the prairie farmer paid over $4 million in demurrage charges on the west coast at Vancouver, and approximately $1 million at east coast ports.

The Acting Speaker (Mr. Ethier): I regret to interrupt the hon. member but his time has expired.

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the government elevators to which my friend, the hon. member for Moose Jaw (Mr. Neil), has referred in his question this evening follow an established policy to work closely with producers, with grain companies and, of course, with the Canadian Wheat Board to make these very important facilities in western Canada available in a manner that will maximize Canada's grain movement both for export and for domestic purposes.

In day to day operations, space is made available in each of the elevators to accommodate Canadian Wheat Board requirements as they arise. This has its greatest application particularly for high moisture grain. Other such applications relate to special accumulations and storage of specific grades of grain, especially during periods of unprecedented demand when bunching of vessels occurs in Vancouver.

As well, currently about half the space at Lethbridge is leased out to local feeders and processors, thereby fulfilling a useful purpose in this heavy feeding area.

As my friend pointed out this evening, Canadian government elevators do not buy grain themselves. That is, of course, the responsibility of the Canadian Wheat Board and the grain trade.

In deciding whether or not to utilize Canadian government elevators at any given time, the Canadian Wheat Board has to evaluate a number of factors including the cost of assembling grain in the terminals by producers using their own trucks, by custom trucking or by rail movement; as well as the over-all space available in the primary elevator system and the advantages to the rail shipment program which the Wheat Board has established at any moment in time.

Until this week no Durum quota had been established by the Canadian Wheat Board in the current crop year. However, there has been a heavy Durum movement since December through Vancouver and it is anticipated that this will continue at least until the end of March. This has allowed the Canadian Wheat Board to establish effective February 1, a Durum quota of 4.46 bushels per acre, or, as some would want to know, 300 kilograms per hectare. This will enable producers to deliver into the licensed elevator system and provide an injection of funds into the western economy.

There is currently under way a heavy shipping program for Red Spring wheat through the west coast which will continue at least until the end of May. This will be augmented by an eastern movement through Thunder Bay upon opening of Seaway navigation.

In view of this, Mr. Speaker, the Wheat Board at this stage of the crop year does not see the need to utilize the government interior terminal elevators. Of course, as circumstances change later on in the year, the situation could be reviewed.

The Acting Speaker (Mr. Ethier): Order, please. I have to interupt the hon. member because the time allotted to him has expired.

REGIONAL ECONOMIC EXPANSION—NEWFOUNDLAND—GOVERNMENT ACTION IN VIEW OF CLOSING OF LINERBOARD MILL

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, on November 17 last I asked the Minister of Regional Economic Expansion (Mr. Lessard) whether he had been contacted by the provincial government of Newfoundland for assistance because of the worsening situation at Labrador linerboard mill in my district at Stephenville, Newfoundland. The continuing deterioration of the mill was the result of the fact that the bulk of the resource had to be transported from Labrador, a distance of 600 miles. It must be realized that the resulting cost of producing a ton of linerboard is seriously affected by the transportation cost. Added to this handicap, the distance of the mill from the off-shore market further exacerbates the problem when the mill has to face competition from similar operations closer to the market. This doubles the problem which is difficult to overcome.

Furthermore, adding to the problem is the fact that this mill came onstream at an inopportune time when demand for the product was at a low ebb. Efforts by the sales forces to break into the market left much to be desired. Third, to inflict a further scar on the disease, the wood source near the mill is not available to the mill in enough quantity to relieve the cost of producing a ton of linerboard.

• (2220)

The continuing failure to overcome these problems has resulted in the provincial government of Newfoundland, which owns the mill, having to subsidize the operation at an annual expenditure of some $25 million to protect, in its own interest, and the many hundreds of jobs directly and indirectly related.

It has now reached the point where new management has been brought in, and an advisory board with economic expertise has been appointed to determine the future viability of the operation, subject to the consideration of various options, and it is my opinion that with federal government assistance the mill and its operation can be rehabilitated, to the benefit of a depressed community suffering from the continuing downturn of economic events.

Having reviewed the problem with the assistance of officials in the federal departments concerned, and after making my own assessment, I came to some conclusions, and they are best expressed in a letter I wrote to the Secretary of State for External Affairs (Mr. Jamieson). He indicated his concern through his own portfolio and when he was minister of industry, trade and commerce. In my letter of November 8, 1976, I

expressed the problems as I saw them and as they relate to the mill, and other factors, and I recommended the following:

1) That the federal government initiate a co-ordinated effort with the provincial government under and including the Department of Industry, Trade and Commerce, the Department of Regional Economic Expansion, the Department of Manpower, along with probably CIDA and the Export Development Corporation directed towards the following objectives:

a) to review studies carried out on the operation of the mill;

b) to examine ways and means of rationalizing the cost of the resource in line with availability;

c) to examine the possibility and the need for support funding to streamline the operation in order to compete with offshore capacity;

d) to determine the need for assistance in shipping cost to and from the mill as a result of distance from the resource as well as the distance from offshore markets;

e) to consider in the determination of assistance to underdeveloped countries to whom Canada provides interest free loans to establish mills, the feasibility of promoting the purchase of linerboard on the same basis (CIDA);

f) in the continuing efforts to establish trade with other countries that the sale of linerboard be given high priority;

g) to examine the possibility of finding firms that use linerboard extensively to invest in Labrador Linerboard in order to ensure capacity where those firms would provide a steady market, or alternatively to consider through Export Development Corporation, the possibility of investing in firms that use an abundance of linerboard to ensure sales, or to invest in the mill itself;

h) to consult with all firms producing linerboard, that may have plans for expansion in line with expanding markets to invest or purchase the Labrador Linerboard Mill;

i) that Manpower extend efforts to examine the results of high unemployment that is occurring and to examine and implement re-training and other programs, to prepare for the impending need for mobility transfers and alternative job opportunities;

j) that the facilities at the Harmon Base be examined to recognize the possibility of considering that base in the government's decentralization objectives, e.g. Taxation Data Centre, Canadian Coast Guard (Search and Rescue) fisheries, etc.;

k) to investigate the physical inventory of valuable property left as a result of the phase out of the American SEAC Base and to determine its use as a result of decentralization planning.

In recent days I have discussed with the mill management the present status of the mill, and I have confirmed that immediate co-operative action by all concerned is necessary. I am convinced that with the evident upturn in the whole pulp and paper industry, the operation can succeed. I am confident that the present management is capable of revitalizing the mill. It has a new dedication and determination, not just with regard to the mill itself but with regard to saving the economy of an important sector of the province.

I can only appeal to the Minister of Regional Economic Expansion to make a determined effort to co-ordinate federal support with his colleagues concerned to form a team and to meet with mill management and Newfoundland provincial officials with a realistic and positive approach to ensure the success of the operation, and with a flexible approach to ensure the protection of an economic base for one sector of our nation.

Mr. Ed Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I should like to expand on the response which the Minister of Regional Economic Expansion (Mr. Lessard) gave on November 17, 1976, to the question from the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) concerning Labrador Linerboard Limited.

DREE is aware of the difficulties which the provincial government is facing in respect of that provincial Crown corporation. However, the minister has not been approached by the province in respect of the recently reported closure of the linerboard mill at Stephenville.

The provincial government recently announced the establishment of a study committee and a reorganization of the corporation's management with the objective of examining and recommending an alternative course of action.

As the hon. member should be well aware, our department is primarily concerned with effecting improvements to the basic economic structures of areas such as the Atlantic region and identifying and pursuing development opportunities of a long range nature. There are other mechanisms designed to alleviate the economic and social hardships which arise from the short term unemployment resulting from difficulties experienced by a particular company. I must say that it is my understanding that the Labrador Linerboard Mill at Stephenville was closed recently for an indefinite period, due to high production and raw material costs, as well as poor world market conditions for linerboard. I have also seen reports that mills producing linerboard in western Canada have closed recently for the same reason.

DREE has played an active role jointly with the provincial government in Newfoundland in attempting to develop the province's forest industry. In April, 1974, we signed the Forestry Subsidiary Agreement with the objective of expanding and diversifying the forest industry in Newfoundland and Labrador through a series of projects on forest management, access road construction, harvesting and utilization, and other forest improvements. That agreement initially provided for an expenditure of $34 million on such activities. It was amended in January of 1975 to provide an additional $17.7 million, so that federal participation in that agreement represents a financial commitment of almost $48 million. The amendment, incidentally, was intended to increase further the sustainable level of utilization of forest resources on the island of Newfoundland through the use of mechanized logging equipment, the establishment of logging camps, and the construction of an additional 400 miles of forest access roads.

The amendment to the agreement also made provision for joint initiative with the provincial department of forestry and agriculture to improve the efficiency of the wood harvesting operations of Labrador Linerboard Limited.

Needless to say, we very much sympathize with the position of the Newfoundland government which is faced with continuing deficits in the operation of the mill. However, I must emphasize that the operation of the Crown corporation is the responsibility of the provincial government and does not directly involve our department.

The Acting Speaker (Mr. Ethier): Order, please. A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Friday, February 4, 1977

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

PROPOSED PROHIBITION OF THE PASSAGE OF TANKERS THROUGH GEORGIAN BAY DURING WINTER—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. I have been a member of this House for four years and have never risen under Standing Order 43 before now because in most cases I feel the motions do not accomplish very much. However, in this particular case I think this matter is very important.

On December 23 of last year a large oil tanker spill occurred covering some 50,000 plus miles of the shoreline of Georgian Bay, and the many islands there. In view of past representations to the Ministry of Transport and a recent petition to the Prime Minister containing over 2,000 names which he personally received, I move, seconded by the hon. member for Perth-Wilmot (Mr. Jarvis):

That this House direct the federal government to prohibit the winter passage of oil and gasoline tankers through Georgian Bay so that the potential environmental and economic disaster which would arise from a spill of greater magnitude may be prevented.

Mr. Speaker: Order, please. Such a motion can be presented for debate in this House only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LOTO CANADA

REQUEST FOR STATEMENT CONCERNING ADMINISTRATIVE DIFFICULTIES—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of the fact that almost two months have elapsed since I brought certain difficulties to the attention of the government with respect to Loto Canada, and in view of the fact that investigations by the police into both Loto Canada and its predecessor have not yet prompted any official response by the government, I move, seconded by the hon. member for Provencher (Mr. Epp):

That the minister responsible for the operations of Loto Canada make a formal statement on motions at the earliest opportunity outlining the difficulties which he knows, or ought to know, exist within the administration of Loto Canada, and measures to correct them, in order that public confidence will be maintained and this organization can function as was intended; in other words, that the government act soon before it has to react.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NORTHERN AFFAIRS

PROPOSED INVESTIGATION OF ACCIDENT ALLEGEDLY CAUSED BY CHANGE IN DRILLING PROCEDURES IN BEAUFORT SEA—MOTION UNDER S.O. 43

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I, too, rise on a matter of urgent and pressing necessity arising out of information on CBC news this morning that the drilling blowout last summer which occurred in the Beaufort Sea came about as a result of eased requirements on the drilling procedures granted to Dome Petroleum.

Given the risks involved in the project as proposed, given that the amended drilling procedures were authorized without reference to the minister responsible, that the accident caused the death of one man and serious injury to another and that this information was not available at the time of the inquest into the accident, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this matter be referred to the Standing Committee on Indian Affairs and Northern Development and that the committee be asked to investigate this serious accident.

• (1110)

Mr. Speaker: The motion can be presented for debate only with the unanimous consent of the House, pursuant to Standing Order 43. Is there unanimous consent?

Some hon. Members: No.

Transport

MANPOWER

EXTENSION OF DEADLINE FOR APPLICATIONS UNDER CANADA WORKS PROGRAM—MOTION UNDER S.O. 43

Mr. Cecil Smith (Churchill): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. Since Phase I of the Canada Works Program has a deadline of February 4, which is today, for applications to be postmarked, and since this program is directed at areas of high unemployment and many of these target groups live in remote areas of Canada and have not had an opportunity to be briefed on the program nor to submit applications, I move, seconded by the hon. member for Provencher (Mr. Epp):

That this House give unanimous consent to extending the deadline for applications to February 18, 1977, in order that remote areas may have an equal opportunity to participate in the program.

Mr. Speaker: The motion can be presented to the House for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

TRANSPORT

REQUEST THAT CERTAIN WHARVES BE TRANSFERRED TO QUEBEC JURISDICTION—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 43, I ask for the unanimous consent of the House to put a motion on a matter of urgent and pressing necessity.

Considering that the negotiations between Quebec City and Ottawa concerning the transfer of certain wharves to the jurisdiction of the Quebec government do not seem to be progressing, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House urge the government to accelerate the negotiations to conclude an agreement before those wharves be hopelessly damaged.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent; therefore the motion cannot be put.

[Mr. Speaker.]

[*English*]

PENSION ACT

REQUEST FOR AMENDMENT TO PROVIDE PENSIONS TO WIDOWS OF VETERANS WHOSE DISABILITY PENSIONS ARE LESS THAN 48 PER CENT—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House urges the government to introduce an amendment to the Pension Act to provide for pro-rata pensions to be paid as of right to widows of veterans whose disability pensions were less than 48 per cent, as recommended in the Woods Report, in the Hermann Report, and in several reports of the Standing Committee on Veterans Affairs and, as urged very strongly by the Royal Canadian Legion, the Army, Navy and Air Force Veterans in Canada, and other organizations representing the veterans of this country.

Mr. Speaker: Such a motion pursuant to Standing Order 43 can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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COMMUNICATIONS

SUGGESTED REJECTION OF APPLICATION OF COLIN JAMIESON FOR RADIO STATION LICENCE IN ST. JOHN'S, NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, pursuant to Standing Order 43 I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity. The motion concerns the application made to CRTC by Mr. Colin Jamieson, of St. John's, in the name of Beothic Broadcasting, for a licence to operate a 25,000 watt AM radio station in St. John's on the 850 frequency, with the matter set down for hearing on March 1, with unusual speed.

In view of the fact that Colin Jamieson is a brother of the Secretary of State for External Affairs and manager of CJON radio and TV in Newfoundland for many years, and in view of the fact that the Secretary of State for External Affairs owns 49 per cent of the CJON radio and TV empire in Newfoundland with a total of 25 TV transmitters, six AM radio stations and with licences now issued for nine FM radio stations, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this House direct the CRTC that the said application of Mr. Colin Jamieson be rejected because of the dangerous concentration of ownership and control of the telecommunications media in Newfoundland in one family and in one political affiliation and because of the obvious conflict of interest implications in connection with this application.

Mr. Speaker: Order, please. Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

Mr. Speaker: The hon. member for Perth-Wilmot (Mr. Jarvis).

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my questions are for the Minister of Fisheries and the Environment. I believe he is on his way to the Chamber, so I wonder if Your Honour would recognize me later in the question period.

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MANPOWER

CANADA WORKS PROGRAM—POSSIBILITY OF EXTENDING DEADLINE FOR APPLICATIONS

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Is the minister in a position to tell the House whether a decision has been made with regard to extending the deadline for the Canada Works Program and the Young Canada Works Program in areas of high unemployment where the rate of application has been unusually slow due to the fact that application forms were in the constituencies for less than three weeks? In my opinion, there has not been sufficient public relations.

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, applications are coming in very rapidly from all parts of the country and I am keeping a day to day telephone watch on the situation. I expect a large number of applications to arrive by or on Monday, February 7. I think I would prefer to look at the situation at that time. I think that in isolated areas of the country there is a problem. Program officials have been instructed to accept late applications in those circumstances. However, I think I will be in a better position on Monday, when I have seen how many applications we have, to make that announcement.

* * *

NORTHERN AFFAIRS

ALLEGATION ACCIDENT CAUSED BY CHANGE IN DRILLING REGULATIONS FOR BEAUFORT SEA—SUGGESTED REFERENCE TO COMMITTEE

Mr. Wally Firth (Northwest Territories): Mr. Speaker, may I direct some questions to the Minister of Indian Affairs and Northern Development arising out of the news report on CBC radio this morning concerning the accident which took place at the Dome Petroleum drilling site in the Beaufort Sea? Apparently some drilling authority had been changed or amended, and this eventually caused an explosion. I ask the minister to confirm if his department yielded to pressure from Dome Petroleum, one of the major oil companies involved in oil exploration in the north, as a result of which a blowout occurred, killing one man and injuring another.

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I was only made aware just before the question period of the CBC radio broadcast in which these allegations were made. I will have to investigate to see whether those allegations are correct, and report in due course.

Mr. Firth: A supplementary question, Mr. Speaker. This matter raises serious questions regarding the chain of command and accountability within the department and, in addition, about the competence of Dome Petroleum and the general risks involved in drilling for oil in the Beaufort Sea. Will the minister refer this matter to the Standing Committee on Indian Affairs and Northern Development and not grant further permits for drilling in the Beaufort Sea until this matter has been resolved?

Mr. Allmand: Mr. Speaker, during the winter we are to undertake a complete review of the Dome Petroleum drilling in the Beaufort Sea, which review will include consultations with communities in the Beaufort Sea area. Once that review has been completed we will decide whether to tighten up procedures or control drilling to a greater extent than we did last year. The hon. member asked that this matter be referred to the committee. I would not be prepared to recommend that course now, because I should like to see the result of the review process which has been set up, a process which is public and open.

Mr. Firth: A final supplementary question, Mr. Speaker. After the risks involved in the process by which permits have been granted have been reassessed, will that assessment be made public, and if not, why not?

Mr. Allmand: Mr. Speaker, I think they will be made public. It is our intention to make them public.

POSSIBILITY OF RELAXATION OF REGULATIONS GOVERNING DRILLING IN BEAUFORT SEA—RESPONSIBILITY FOR AUTHORIZATION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, may I direct a supplementary question to the Minister of Indian Affairs and Northern Development? Am I correct in assuming that if there was a relaxation of regulations, the authorization for such relaxation did not come from the minister or his predecessor?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I cannot answer with respect to my predecessor until I look into the matter, but I did not give authority myself to relax the regulations.

[*Translation*]

MANPOWER

CANADA WORKS PROGRAM—POSSIBILITY OF EXTENDING DEADLINE FOR APPLICATIONS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration.

Today, February 4, is the deadline to apply for the "Canada Works Program" and several promoters have not yet completed the preparation of their projects. Considering these facts and the fact that, according to the information we received yesterday, the projects will not get under way before next April, would the minister be prepared to consider extending the limit by a few days to enable the promoters of projects to submit them within the prescribed time?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I shall have to study the figures next Monday.

* * *

[*English*]

ABORTION

REASON FOR COMMISSIONING BADGLEY REPORT—APPROXIMATE COST

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to direct a question to the Minister of Justice along the lines of one I asked earlier in the week arising from the Badgley report on abortion. I point out that we have ten people in Statistics Canada working exclusively on abortion statistics, abortion laws and how they are working in various countries of the world as well as in Canada. Is the minister now prepared to tell the House why it was necessary to tell Dr. Badgley to report on abortion particularly when we have studies of this nature and the study of the Department of Health? What has been the cost of such a report and when will it finally be produced?

● (1120)

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the terms of reference of the Badgley committee will clearly demonstrate that their examination goes away beyond what is prepared and published by Statistics Canada. There is a budget for the Badgley committee. I will have to take note of that part of the question to see what the actual expenditures of the committee are as of now. I have not yet received the committee's report, but I understand that I am able to make arrangements for its publication and tabling within two weeks.

Mr. Woolliams: Is the minister really aware of the research being done along the lines he is talking about, the terms of reference of the Badgley report, by Statistics Canada. Is he aware of the studies going on in the Department of Health, something that I raised in the House before Dr. Badgley was asked to report on this matter? Would the cost to the taxpayer, at a time when the Minister of Finance is mentioning the word restraint, be close to $2 million for something we already have on the record in various departments?

Mr. Basford: Mr. Speaker, the terms of reference of the committee were drawn up by a group of officials representing not only my own department, but the Department of National Health and Welfare and Statistics Canada, all of whom were familiar with work already done or under way in order to assure that there would be no overlap. The figure of over $2 million is a gross exaggeration. I do not know where the hon. member got that figure. As to the possible costs of the Badgley committee and the purpose of that committee, I have said many times it will hopefully provide a basis of analysis for a rational discussion on abortion law. The hon. member has asked many times about the abortion law and made a number of statements about it, all of which would be helped by a rational analysis.

Mr. Woolliams: In light of the fact the minister said the figure of $2 million might be some exaggeration, he must know the true figure. Maybe that figure includes the cost of material prepared by Statistics Canada, the costs of the Department of National Health and Welfare and the Badgley report. If the minister says the figure is wrong, he must have the true figure.

Mr. Basford: As I recall, Mr. Speaker, the original budget set aside for the Badgley committee, as an estimate, was $500,000. I will want to check as to what the actual expenditures are and report back to the House.

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CONSUMER AFFAIRS

DEVELOPMENT OF NATIONAL FOOD POLICY—ALLEGED OBJECTIONS OF MINISTER OF AGRICULTURE

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. The Minister of Agriculture said that we already have a national food policy and do not need a new one. The Minister of Consumer and Corporate Affairs has declared publicly that we do not have one and that we need to develop one. My question to the Minister of Consumer and Corporate Affairs is this: Has he been able to convince the Minister of Agriculture that we can have a national food policy that takes into account the necessity of orderly marketing of farm products vis-à-vis marketing boards and so on and at the same time protecting the Canadian consumer? In other words, in spite of opposition from the Minister of Agriculture, is the Minister of Consumer and Corporate Affairs going ahead with developing a national food policy for Canadians?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have not seen the quote attributed to the Minister of Agriculture. He and I have had several discussions, both of us perceiving the need for a national food policy. Probably the Minister of Agriculture, with a good deal of justification, believes that the sound, sensible policies of his

department are the basic platform on which any national food policy would be built.

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AGRICULTURE

SUGGESTION MINISTER CEASE PROMOTING SUPPLY—MANAGEMENT PROGRAM FOR CATTLE

Mr. Ken Hurlburt (Lethbridge): I will direct my supplementary to the Prime Minister. Due to the fact that the Minister of Agriculture's concept of marketing board supply-management for cattle has been rejected by the western stock growers, and again in my own towns of Milk River and Lethbridge, Alberta, on Wednesday of this week, would the Prime Minister assure the House that he will instruct the Minister of Agriculture upon his return from Lethbridge to cease forthwith the promotion of this scheme for cattle before he does any more damage to this important industry?

Right Hon. P. E. Trudeau (Prime Minister): I will be glad to convey the representations made by the hon. member to the Minister of Agriculture.

* * *

TRADE

APPLICABILITY OF GUIDELINES ON INTERNATIONAL TRANSACTIONS TO CROWN CORPORATIONS

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Prime Minister and it arises out of the guidelines issued on December 16 governing the activities of Crown corporations in their international transactions. Do these guidelines apply to all Crown corporations?

Right Hon. P. E. Trudeau (Prime Minister): I would have to refresh my mind on it. I believe that in the statement there was a distinction made between the various Crown corporations under the Financial Administration Act. Some of them, like the CBC for instance, would not have occasion, I suppose, to fall under these guidelines. Certainly, the statement was meant to be general, though there may be some exceptions for Crown corporations in special sections.

Mr. Gillies: I raise this question specifically in relation to testimony provided before a committee by the Minister of Finance concerning an area where they did not apply. Could the Prime Minister clarify this situation and perhaps make certain that all the Crown corporations which are operating in the international field, and involved in transactions similar to those engaged in by AECL, are brought under the guidelines?

Mr. Trudeau: Yes, Mr. Speaker, but I believe the hon. gentleman was suggesting that the guidelines of December could be applied retroactively which is not possible. However, the guidelines were meant to apply to corporations like AECL, and the Minister of Finance said that the question, as phrased, is a total distortion of what he said.

Mr. Gillies: Again to the Prime Minister. The Minister of Finance said very specifically that the Prime Minister was not referring to all Crown corporations and it was totally in the context of the problems of AECL in its international transactions.

Mr. Macdonald (Rosedale): That was pre-guidelines.

Mr. Gillies: I want to know whether or not it is the government's policy that Crown corporations which are engaged in international transactions come under the guidelines as promulgated on December 16.

Mr. Trudeau: I find it difficult to discuss the hearings of a committee when I did not attend the committee or read the report on them. I do not know whether it is in order to discuss these committee proceedings in the House. The Minister of Finance insists that the hon. member is distorting the import of his testimony.

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ADMINISTRATION OF JUSTICE

POSSIBILITY OF APPEAL OF DECISION IN BRIAN DAVIES CASE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is to the Minister of Justice and it has to do with the case against Brian Davies, the great pretender of the seals—

Some hon. Members: Oh, oh!

Mr. Marshall: —who was charged in a provincial court. The judge ruled the matter was outside his jurisdiction. Has the minister had an opportunity to review the findings of the court and can he tell us what action is to be taken to appeal, or take the matter to a higher level, so that it can be correctly dealt with in view of the fact that Mr. Davies deliberately contravened the Seal Protection Act.

Hon. Ron Basford (Minister of Justice): A decision has been made by my department and the officials in the Department of the Environment to appeal the decision. I must admit I am not aware whether the notice of appeal has been filed.

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FISHERIES

SEALS—REPLY TO PERSON OFFERING SUM OF MONEY IF HUNT ABANDONED

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A supplementary to the Minister of the Environment. Could the Minister tell us the nature of his reply to another humanitarian over in Sweden who offered $400,000 for the lives of the

seals? Would he advise the House whether in his reply he told him to give the $400,000 to the starving children of the world?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): There was a gentleman who communicated with me through the media. I responded in kind. I indicated this was obviously a decision which the fishermen themselves would have to make, but I thought the offer was low because it was $400,000 against an income of more than $2½ million. In fact, the gentleman in question has accepted my invitation to meet next Monday. I will meet with him, as I will meet with any group if I feel they are sincere. The problem is that in many cases they are misinformed. The seal is not an endangered species.

● (1130)

An hon. Member: You wouldn't say that if you were a seal.

* * *

INFORMATION

NEED FOR PUBLIC TO HAVE RIGHT OF ACCESS TO GOVERNMENT INFORMATION—GOVERNMENT POSITION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to address my question to the right hon. Prime Minister. Was the Prime Minister accurately reported when he remarked that Canadians "don't need rights to governmental information enjoyed by U.S. citizens"?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I understand there is some article or headline to that effect in the *Globe and Mail*. I am rather certain that that is a misquote. I did talk about the subject, but perhaps I will ensure that a transcript of what I said will be sent to the hon. member.

Mr. Brewin: A supplementary question, Mr. Speaker. Is the Prime Minister aware that for some time a parliamentary committee has been looking at this question of freedom of information, has visited various European countries, has consulted with representatives of the United States government, but has not yet been able to report? Is the Prime Minister also aware that there is widespread concern in Canada as to why government information paid for by the people of Canada is so frequently kept secret?

Mr. Trudeau: Mr. Speaker, I do know of the work of this committee and I hope it will report to the House so we are able to study the matter in more depth. The government has stated that it is our intention to make submissions to that committee at an appropriate time.

[Mr. Marshall.]

ENVIRONMENTAL AFFAIRS

REGULATIONS FOR TANKERS OPERATING IN CANADIAN WATERS—CO-OPERATION WITH UNITED STATES—PLANS FOR ENFORCEMENT OF REGULATIONS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Fisheries and the Environment and relates to a potential catastrophe caused by sub-standard oil tankers. In view of the fact that the new United States transportation secretary, Mr. Adams, announced on Tuesday stricter regulation of all tankers operating in U.S. waters, will the minister advise the House whether he plans to announce similar or identical regulations for tankers operating in Canadian waters; and what further concrete measures is he taking other than those announced by the Minister of Transport in the House on Tuesday last?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, under the Shipping Act this is obviously the responsibility of my colleague the Minister of Transport. However, we have discussed this matter with our officials, especially those dealing with pollution matters at the Law of the Sea Conference, to see how international co-operation can advance faster than it has. Personally, I rejoice that the new United States Secretary of Transport is taking a more hawkish position on this issue.

Mr. Jarvis: A supplementary question, Mr. Speaker. Bearing in mind that if our standards are lower than those in the United States we will inevitably find ill-equipped tankers diverted from U.S. ports to Canadian ports, is it the intention either of the minister of the environment or his colleague the Minister of Transport to engage in discussions with their U.S. counterparts in order that Canada and the United States can co-operate fully to ensure a common and comprehensive tanker regulation program? More preferably, would the minister, either directly or through his colleague the Minister of Transport, make representations to Mr. Adams and ask for Canadian participation in the newly formed marine safety task force in the United States to protect our common interests?

Mr. LeBlanc (Westmorland-Kent): Well, Mr. Speaker, it is obvious that in the matter of environmental protection our two countries have been working very closely together. In fact, as the hon. member knows, even within the previous administration there was a difference of opinion between the transportation interests and environmental interests in the United States. As I say, I rejoice that the new Secretary of Transport is taking a more hawkish view or more environmentalist view of this issue.

I think that international co-operation and agreement on tough standards is, in the long run, the only solution, as it has been in regulating transportation through the airways. For some reason this mystical freedom of the high seas, which was really a freedom or right of passage, has been extended to freedom to pollute, and I think every nation in the world must resist this movement.

Some hon. Members: Hear, hear!

Mr. Jarvis: A final supplementary question, Mr. Speaker. I welcome the minister's words, but I am trying to find out when he is going to turn from a dove into a hawk and whether the Minister of Transport is going to do something. If I may forget that non-answer, can I ask the minister, with respect to Canadian waters, whether he will advise what plans exist for the enforcement of present and future regulations in Canadian waters within the 200-mile limit so that accidents such as we have been experiencing lately will at least be minimized along our coastline?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, the extension of the jurisdiction to 200 miles is an extension of fisheries jurisdiction. Whether or not eventually, as a result of the Law of the Sea Conference going one way or the other, nations will declare this type of jurisdiction for the protection of their coasts certainly remains open.

DATE OF INSTALLATION OF RADAR TO CONTROL MOVEMENT OF TANKERS THROUGH STRAITS OF JUAN DE FUCA—CO-ORDINATION WITH UNITED STATES

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Fisheries and the Environment. It is expected that supertankers carrying oil from Alaska will be travelling through the Straits of Juan de Fuca by next fall. Can the minister give the House any assurance that passage through the straits will be radar controlled by that time, and if the control system is not to be in place by next fall, when will it be in place?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I would have to defer to my colleague the Minister of Transport because of the navigational aids involved. I understand that a fairly sophisticated system is envisaged if these tankers do sail through these waters.

Mr. McKinnon: A supplementary question, Mr. Speaker. Due to the unusual treaty governing traffic in the Straits of Juan de Fuca wherein the U.S.-Canadian boundary is traversed freely by shipping, has the minister made any attempt to co-ordinate our traffic control regulations with the United States, bearing in mind their new and tougher regulations?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I would have to look at what has been done in terms of co-ordination, but I am convinced that we are working very closely with United States authorities. We realize, as they do, that an oil spill would not choose borders; it would go into our waters and their waters.

POSSIBILITY OF PROHIBITING TANKERS FROM ENTERING PARRY SOUND HARBOUR—GOVERNMENT POSITION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, may I direct a question to the Minister of Fisheries and the Environment in the absence of the Minister of Transport? I am wondering whether the Minister of the Environment would inform me if a decision has yet been reached by the government to prohibit the shipping of oil by tanker to the harbour of Parry Sound and in Georgian Bay, taking into account the literally tens of thousands of miles of shoreline among the 30,000 islands which would suffer damage in the case of a major oil spill?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I will have to take this question as notice. I am not informed whether the Department of Transport has made a decision.

Mr. Darling: A supplementary question, Mr. Speaker. As the minister is aware, a petition was presented to the Prime Minister personally on January 25 and the Prime Minister has expressed very grave concern about this oil spill and what the possibilities of a future one will be. Imperial Oil has repaired that tanker and it is in Sarnia now loading up to head north through the Great Lakes, I believe today or tomorrow. We are hoping that it will be kept out of Georgian Bay.

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I am certainly aware—I have been made fully aware—of a meeting which took place and which I believe the hon. member attended with my colleague the Postmaster General and my parliamentary secretary. I have also read the document that he sent. If he is asking me whether an answer is available right now, I have to tell him that I do not have an answer right now.

PROVISION FOR BOARDING OF TANKERS WITHIN 200-MILE ZONE—GOVERNMENT ACTION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a supplementary question for the Minister of Fisheries and the Environment. In light of the possible damage which could occur to fisheries resources, is it the minister's intention to impress upon his colleagues the need to amend the Canada Shipping Act in order to permit boarding of tankers that are within our 200-mile zone, in the same manner that the act was amended to permit us to board and examine tankers within the 12-mile limit?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I am not an international law expert. I understand that we have that authority within the 12-mile limit. As I explained to one hon. member a little earlier, the provisions of the extension of jurisdiction deal with fisheries and fisheries matters only for the present time. Whether we will evolve to this type of regulation in the 200-mile zone will depend in large part on what happens at the Law of the Sea Conference in relation to pollution.

• (1140)

IMPACT OF POLLUTION ON FISHERIES—GOVERNMENT POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is also for the Minister of the Environment. It refers to the twice expressed view that we are in a fisheries zone situation. Is the minister then denying that there is any relationship between pollution and the life of fisheries, and

that therefore in the interest of Canada's fisheries we should not be dealing with pollution in terms of fisheries?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I am obviously not denying that pollution has a great impact on fisheries, but I am telling the hon. member that the avenue of international co-operation is surely the route which must be followed at the beginning. It does not matter if you have jurisdiction over 200 miles and if at the 212th mile an oil tanker opens up and 6 million gallons of bunker oil pours out. It is obviously through international standards for tankers, their access to ports, etc., that we have to find a solution to this problem. If that does not happen, we will have to take other measures, as we did in fisheries.

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AGRICULTURE

PROPOSED REFERENCE TO COMMITTEE OF POLICY STATEMENTS ON CATTLE INDUSTRY—GOVERNMENT POSITION

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I have a question for the Minister of Agriculture, but first I should like to welcome him back from sunny southern Alberta and in particular from the barnyards around Milk River. My question relates to the minister's three recent policy statements issued during the recess concerning the Canadian cattle industry, the first one on December 23 about off-shore beef import quotas, the second on January 4 when he announced his cow-calf policy for 1977, and of course, the recent federal cattle support price for 1976. Will the minister use his good office and his most persuasive manner to have these very important items referred to the Standing Committee on Agriculture for an adequate and very important debate?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I would welcome a debate on these items at any time. The hon. member should have been in Milk River and Lethbridge Alberta with me, where he would have heard the public debate there, as we did. I want to report through you, Mr. Speaker, to the hon. member that the farmers there were very receptive—

Some hon. Members: Oh, oh!

Mr. Whelan: —and responsive, and those people at Medicine Hat were not really laughing at me—they were laughing at someone else who was there the week before. I want to say that I think all the programs are very well accepted. Today my officials have meetings with officials of the provincial departments of agriculture concerned with the cow-calf program. The other program on quarterly payments for stabilizing beef has been very well accepted and easily understood. I believe there is no difficulty understanding the quotas. They were clearly explained in the press releases, and we thought it was most urgent that the beef producing population of this country be informed.

[Mr. Munro (Esquimalt-Saanich).]

Mr. Hargrave: Mr. Speaker, surely if the program is that good, the minister would refer the three specific items to the Standing Committee on Agriculture.

Mr. Whelan: Mr. Speaker, I will discuss it with the House leader, but I understand the committees of the House are being overworked at present.

Some hon. Members: Oh, oh!

Mr. Whelan: But there is nothing I would like better than to get it on the record of the House because I am so proud of what we are doing.

Some hon. Members: Oh, oh!

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I have a supplementary question. Since the Standing Committee on Agriculture is not meeting, will the Minister of Agriculture stop all this fudging around, whether here or in Milk River, and make a concrete commitment now to ask his colleagues to refer the three items mentioned by my colleague, the hon. member for Medicine Hat, to the Standing Committee on Agriculture so that there can be a public and detailed debate, free of the additives which are the specialty of the Minister of Agriculture?

Mr. Whelan: Mr. Speaker, I will not use the words that were used to describe what the Leader of the Official Opposition was doing out west before I arrived there.

Some hon. Members: Hear, hear!

Mr. Whelan: I want to say this, that members of the Standing Committee on Agriculture are members of several other committees of the House of Commons.

Some hon. Members: Oh, oh!

Mr. Whelan: As I said, I would like nothing better than to get it before the committee because the proceedings of House of Commons committees are sent all over Canada and I cannot think of a better propaganda medium for me to use.

Mr. Clark: Mr. Speaker, I have one final supplementary question to which a yes or no answer will do. Will the minister ask his colleagues to make that reference to the standing committee, yes or no?

Mr. Whelan: Mr. Speaker, I am surprised at the Leader of the Official Opposition. I hope he does not do that to his own members. I hope he does not tell them what they are going to say.

Some hon. Members: Oh, oh!

Mr. Whelan: He is trying to tell me what to say. Even if he asked the Prime Minister, he would find out that it is difficult to tell this minister what to say or what to do. I already said I would discuss it with my colleagues.

ATTITUDE OF GOVERNMENT TOWARDS MARKETING BOARD FOR BEEF CATTLE WITH SUPPLY-MANAGEMENT POWERS

Mr. Jake Epp (Provencher): Mr. Speaker, in view of the furor in Manitoba resulting from the objections of beef producers at having to vote for full marketing board powers for any beef agency that might be established by the Manitoba government rather than a beef agency without marketing or supply-management powers, and in view of the fact that in Manitoba the Minister of Agriculture has indicated that the federal government is also interested in supply-management of beef, can the minister now indicate clearly whether the federal government favours a beef marketing board with supply-management powers on a national basis?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have said that there must be a better system for marketing beef, but I have also said I would not impose a beef marketing system on beef producers in Canada as R. B. Bennett did when he imposed the Wheat Board on wheat producers without a vote.

Some hon. Members: Oh, oh!

Mr. Whelan: It will be up to the producers to decide. I understand that what is taking place in Manitoba is very democratic. They will allow farmers to vote on a program if they want. I am not telling the province of Manitoba what to do and I would not even tell the province of Ontario what to do, even though the minister of agriculture for Ontario is sitting in the galleries.

Some hon. Members: Oh, oh!

Mr. Epp: I would like to indicate to the Minister of Agriculture that it is not democratic and that is why farmers in Manitoba are in such an uproar. I would like to ask the minister very clearly whether the National Farm Products Marketing Board, through the agencies of the Department of Agriculture, is promoting a national beef marketing board, yes or no?

Mr. Whelan: I make no bones about my opinion of people running marketing boards. The marketing boards that are successful in Canada receive no federal funds and cost the taxpayers no money. Some people still think that I have a bottomless bucket from which to hand out subsidies for other efficient or inefficient operators in our country. I do not intend to continue to do that and I will encourage properly run marketing boards. Even the hon. member's leader said—I saw a quote of what he said—that he was surprised at how many people in Ontario were in favour of the supply-management system for beef.

TRADE

GOVERNMENT ACTION TO PREVENT CANADIAN COMPANIES AND BANKS FROM ASSISTING ARAB BOYCOTT OF ISRAEL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Prime Minister. Given the continuation of Canadian companies and firms complying with the Arab boycott, and furthermore Canadian banks aiding and assisting in the Arab boycott, can the Prime Minister indicate to the House whether his government will be bringing forward legislation prohibiting Canadian firms and banks from complying with the Arab boycott?

Right Hon. P. E. Trudeau (Prime Minister): A statement was made on this subject a couple of months ago. The hon. member might want to refer to it.

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BANK ACT

POSSIBILITY OF INSERTING PROVISION TO PREVENT CANADIAN COMPANIES FROM COMPLYING WITH ARAB BOYCOTT OF ISRAEL

Mr. David Orlikow (Winnipeg North): I have a supplementary question for the Minister of Finance. In view of the fact that the statement contained no teeth, can the minister say whether he is seriously considering including in the Bank Act, which he will be bringing forward, a clause which would prohibit Canadian banks from aiding the Arab boycott which they presently do by certifying through clauses in letters of credit compliance with the boycott?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I am prepared to consider that.

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THE CANADIAN ECONOMY

OUTLOOK FOR GROWTH IN QUEBEC—POSSIBILITY OF EXODUS OF CORPORATE HEAD OFFICES FROM QUEBEC—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. As the chairman of the Montreal exchange indicated, Quebec is heading into a recession this year and the Conference Board has indicated that real growth in that province will be only 2.3 per cent, the lowest of any province in Canada. Would the minister indicate if his departmental figures confirm this bleak outlook for Quebec in 1977?

• (1150)

Hon. Donald S. Macdonald (Minister of Finance): No, Mr. Speaker.

Mr. Stevens: As the chairman of the Montreal stock exchange predicts there will be an acceleration of departures of corporate head offices from Quebec or the establishment of

dual offices elsewhere resulting in still higher unemployment levels in that province, would the minister confirm if to the knowledge of his department there is any such exodus of offices from Quebec? Is his department at least monitoring the situation, and if so, does the minister feel that there is in fact any danger of an acceleration of this trend?

Mr. Macdonald (Rosedale): The situation has been monitored so far as it can be, but the corporations are under no obligation to report a decision of this kind, and therefore it would be very much on the basis of public announcement. I just have to regard Mr. Dlouhy's statement as being altogether too pessimistic.

COMMENTS OF MINISTER CONCERNING LACK OF STABLE CLIMATE FOR INVESTMENT IN QUEBEC

Mr. Sinclair Stevens (York-Simcoe): Considering the unsatisfactory growth position in Quebec, would the minister confirm or deny his reported statement of this week that he must inform foreign investors of certain insecurities in that province, and if the purport of his remarks is correct, would he indicate in what way such comments will restore confidence and encourage needed investment in that province?

Hon. Donald S. Macdonald (Minister of Finance): I pointed out what I think is obvious to most hon. members of the House, and that is that there is some uncertainty in Quebec because of the political situation.

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MULTICULTURALISM

REQUEST FOR FINANCIAL ASSISTANCE TO UKRAINIAN CHOIR FROM EDMONTON

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is to the minister in charge of multiculturalism. In view of the magnitude of staging a multicultural festival of choirs, which I must add was an excellent production and a success, and in view of the misunderstanding and irritation caused by the lack of funds to pay back the bank loan obtained by the worthy Dnipro Ensemble, the Ukrainian choir from the great metropolis of Edmonton, to travel to Ottawa from Edmonton to perform, is the minister prepared to announce assistance to fulfill the department's obligation?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. The Ukrainian choir, about which the hon. member is very concerned, is indeed very highly thought of by everyone who is aware of it and aware of the tremendous performance it put on when it was here. The choir was very helpful in terms of national unity and understanding, and also in terms of their participation in Hull.

Mr. Paproski: Our sister city.

[Mr. Stevens.]

Mr. Munro (Hamilton East): In view of that we are prepared to take care of the deficit.

Some hon. Members: Hear, hear!

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AGRICULTURE

SKIM MILK POWDER—POSSIBILITY OF REDUCTION IN EXPORT LEVY

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Agriculture. World prices of skim milk powder have fallen to a level of 10 cents a pound for feed purposes and to a low of 16 cents a pound for food purposes. In view of the fact that the present export levy of $1.35 per hundredweight has meant a sharp cut in the incomes of producers and has created in addition a debt in excess of $100 million against the industry and, unless the present policy is changed, could easily create an increase in the present levy of $1.35 to $2.00, is the minister giving serious consideration to policy changes which would substantially reduce the present export levy?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the dairy farmers of Canada have made that representation to us, as have some of the provincial governments through their provincial marketing boards. They are concerned about this problem. We are considering it, but we feel that there will be less need for a large levy because of the co-operation we have received from the provinces and from the dairy processing industry as a whole. More milk is being directed to specialty products, of which consumption is continually rising. So we are looking at that, but we do not feel that we will have the surplus of skim milk powder we had last year. In fact, we know we will not. For instance, at the end of the dairy year last year we had over 330 million pounds of surplus skim milk powder; at the end of this dairy year we will have approximately 110 million pounds. That is still not desirable, but it enables us to continue our food-aid programs, etc. None of this unsold powder which we have on hand is very old, so we look forward to a much better dairy year, and all these things will be considered in the new program for this year.

Mr. Wise: Since a large percentage of the $150 million debt was caused by over-production as a result of intent and design, errors in planning, mismanagement, over-reaction and miscalculations by this government, has the minister made recommendations to the government with regard to assuming the responsibility of at least a portion, if not all, of this debt?

Mr. Speaker: Order, please. That question has a slightly argumentative tone to it. The hon. member for Lambton-Kent.

ENERGY

REQUEST FOR CAREFUL CONSIDERATION OF BERGER REPORT

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It is related to a CBC news story and interview this morning. I suggest to the minister that his use of the word "blackmail" during that particular interview was most unfortunate and a misrepresentation of a very complex problem.

However, I would like to ask the minister if he supports the position of his colleague, the Minister of Indian Affairs and Northern Development, who indicated when he was speaking to the Territorial Council on January 22 of this year that the Berger report will be very carefully considered not only by the Territorial government but also by the federal government when it is introduced in this House somewhat later this year.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Yes, Mr. Speaker. I made that very clear in the interview, and perhaps if the hon. member would listen to the whole interview, which he will have an opportunity of doing on Sunday, he will find some of the answers.

Mr. Stanfield: He'll have something better to do on Sunday.

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NORTHERN AFFAIRS

PROPOSAL TO REFER BERGER REPORT TO COMMITTEE—GOVERNMENT POSITION

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my supplementary question is to the Minister of Indian Affairs and Northern Development. Having due regard to the minister's comments with respect to the importance he placed on the assessment which will be made by the Territorial government and the various departments in the federal government, will the minister indicate at this time if he has given careful consideration to referring that very important report to a standing or special committee of the House of Commons as soon as it is available.

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, that question has not come up before. As the hon. member knows, the Berger report will be made public when it is produced by Judge Berger, and it will be available to all hon. members. However, no consideration has been given to the suggestion made.

POST OFFICE

ISSUANCE OF STAMPS COMMEMORATING TWENTY-FIFTH ANNIVERSARY OF ACCESSION OF QUEEN ELIZABETH TO THRONE

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. I congratulate him for issuing a commemorative stamp honouring the Queen—

Some hon. Members: Hear, hear!

Mr. Dinsdale: —and also for the ceremony which was held this morning at which the minister upheld the reputation of the Post Office by arriving slightly late.

Some hon. Members: Oh, oh!

Mr. Dinsdale: In view of the high denominational value of the stamp and the popularity of the monarch, is the Postmaster General planning to use this stamp to retire the deficit of the Post Office?

Hon. J.-J. Blais (Postmaster General): Well, Mr. Speaker, that would be desirable, and I appreciate the remarks of the hon. gentleman. I would like to add that if there was a slight delay, it had nothing at all to do with the Post Office. I was relying on the Ministry of Transport to bring me there.

Some hon. Members: Oh, oh!

Mr. Blais: However, with reference to the high value of the stamp, we felt that a 25 cent issue would coincide with Her Majesty's twenty-fifth anniversary very well. I would like to indicate also that the silver foil which was used in that stamp was not the result of any melting of silver coins left over from the coin program, in case the hon. gentleman might ask.

Mr. Jarvis: Is that going to be the postal rate next year?

APPOINTMENT OF JAMES CORKERY AS DEPUTY POSTMASTER GENERAL

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, arising from the comments of the minister concerning delays, could he inform the House when he will be appointing a new deputy postmaster general, so that the work of improving labour-management relations in the Post Office, which has been going on during recent months, will not be interrupted?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, by some strange coincidence I can advise the hon. gentleman that the governor in council has appointed Mr. James Corkery, who is presently the regional general manager for the Ontario region, as the new deputy postmaster general. I am sure that the new deputy postmaster general and I will have a very prolonged relationship.

● (1200)

VETERANS AFFAIRS

GRANTING OF PENSIONS TO WIDOWS OF VETERANS WHOSE DISABILITY PENSION WAS LESS THAN FORTY-EIGHT PER CENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Minister of Veterans Affairs due to illness may I direct a question to his parliamentary secretary? Will the parliamentary secretary convey to the minister the regret of all of us that he has been ill and our pleasure in learning that he will soon be back with us?

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): When the parliamentary secretary does that will he also inform the minister that many of us in this House hope that when he gets back to his office he will activate the consideration of amendments to the Pension Act, particularly with respect to the granting of pensions of widows where the veteran's pension was less than 48 per cent?

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I am very pleased to answer the hon. member by saying that I am going to see the Minister of Veterans Affairs at 12.30 p. m. today and will convey his message and the best wishes of the House. He is recovering beautifully and will be out of hospital this weekend and back in his usual place about a week from next Monday, we hope. I will also convey to the minister the hon. member's request which I will take as notice, that he do something about the widows of veterans whose pensions were less than 48 per cent.

Mr. Basford: Mr. Speaker, during the question period the hon. member for Humber-St. George's-St. Barbe asked me whether an appeal had been taken and I indicated that one had been decided upon. I can now advise him that the appeal has been filed.

ROUTINE PROCEEDINGS

[*English*]

ANTI-INFLATION ACT

REFERENCE FROM BOARD TO ADMINISTRATOR ON PROPANE GAS INDUSTRY IN BRITISH COLUMBIA

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to table a reference from the Anti-Inflation Board to the administrator on the propane gas industry in British Columbia under the Anti-Inflation Act.

[Mr. Blais.]

[*Translation*]

HEALTH

TABLING OF REPORT OF ADVISORY COMMITTEE ON IMMUNIZING AGENTS

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would like to table, in both official languages, a copy of the latest report of the Advisory Committee on Immunizing Agents.

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[*English*]

PUBLIC SERVICE

STATEMENT ON APPOINTMENT AND EMPLOYMENT PRACTICES

Mr. MacEachen: Mr. Speaker, I should like to inform the House of recent developments respecting appointments and employment practices in the public service. You may recall our discussions here on December 9 and 10, 1976, concerning allegations of improper staffing action. I have been advised that the Public Service Commission has taken the matter in hand and that the chairman of the commission has made a public statement. I should like to table his response and, on behalf of the Prime Minister, indicate his support of it. I firmly believe our federal public service ranks high on the list of federal public services in western democratic countries.

Some hon. Members: Hear, hear!

Mr. MacEachen: We have been fortunate, indeed, to attract the large number of qualified public servants we have in the service today and their dedication and loyalty is to be commended.

As members of this House know, it has been nearly ten years since the Public Service Employment Act, the Public Service Staff Relations Act and the revised Financial Administration Act were passed by the House. In recognition of the need for a review of this situation, the government asked Dr. Finkelman to undertake an examination of the Public Service Staff Relations Act and its administration and to make recommendations having regard to the experience gained since that act came into force, and how it should be amended or revised adequately to meet the needs of the employer and employee in the public service and the employee organizations that represent them and to serve the interests of the public. That report was the subject of consideration at a Special Joint Committee of the Senate and the House of Commons on Employer and Employee Relations.

The government intends to introduce amendments to the Public Service Staff Relations Act based on the recommendations of the Finkelman and parliamentary reports. In this context it would also introduce amendments to the Public Service Employment Act and the Financial Administration Act.

As announced by my predecessor in May, 1976, the government will establish a review body to examine staffing, appoint-

ments and training in the public service. I am pleased to announce that following consultation with the parties concerned, the terms of reference of a special committee on the review of personnel management and the merit principle has been agreed to.

This committee will examine all matters pertaining to the Public Service Employment Act with particular reference to (a) the merit principle and its application as it relates to initial appointment, internal appointment and promotion and eligibility of public servants to participate in competitions; (b) access to employment with respect to training; (c) process of appeal and redress relating to appointment problems and demotion; (d) scope of collective bargaining as it applies to (a), (b) and (c); (e) operation and assistance in the operation of training and development programs; (f) fostering of improved employee-employer relations; and (g) more efficient personnel management systems taking into account operational needs of departments and the need to provide an efficient and effective service to the public.

At the request of the unions, and upon mutual agreement by all affected parties, the first phase of the review will involve a separate examination by each side of the above-mentioned issues. Following a suitable period for these two exercises, the special committee, composed of a chairman and a representative of the government and a representative chosen by the unions, will begin meeting, leading to the preparation of a public report.

An announcement of the membership of the special committee will be made at a later date. Where it is possible to reach agreement, recommendations will be made to the government. In areas where no agreement is possible, the chairman will identify the different points of view and will be free to make his opinion known as to what options should be considered. During the deliberations of the committee there will be consultation between the government and the unions and between other interested individuals and organizations, particularly the Public Service Commission. While the committee will be examining roles and relationships, it will not be asked to make recommendations concerning organizational structures.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, in the traditional way I wish to thank the President of the Privy Council for forwarding an advance copy of the statement to me. I also wish to join the minister in paying tribute to the public service of Canada which I have reason to believe, from experience and for other reasons, ranks high among public services in the western world. It is a fine service, but I am afraid the admission today that a special committee is to be set up to examine some very important matters suggests that, fine as it is, it is in a state of some uncertainty as to its general acceptance by the government.

One of the matters raised in this statement is the proposed amendment to the Public Service Staff Relations Act. We heard about this from the former president of the privy council, so this is the second time we have heard of it. It sounds as though we are putting up the banns for marriage. Will there be a third statement before the amendments are introduced, or are they to be brought before us soon?

• (1210)

Speaking as a member of the committee which studied the Finkelman report and looked into employer-employee relations in the public service, I feel it is high time to bring that legislation before the House. I hope that this is not another stalling tactic on the part of the government, another delay in bringing forward the legislation. In general, we welcome the statement, although with reservations.

Unfortunately, the statement does not mention something else which also stemmed from the work of the joint committee on employer-employee relations in the public service. It says nothing about the need to examine the operation of the Public Service Commission within the ambit of the Public Service Staff Relations Act. If that question is to be the subject of further legislation or study remains to be seen. Regrettably, it was not raised in the statement.

The list of matters set out on page 2 of the statement which the committee is to examine is of prime importance to the public service and shows the degree to which the public service has fallen on evil days. As has been said more than once, public servants are uncertain about their future. Regrettably, there is a drop in the morale of the public service. The establishment of a special committee which is to study certain questions fundamental to the public service suggests to us that the government recognizes the demoralization of the public service. When I say this, I am thinking particularly of the merit principle, and promotion.

There are procedures for appealing decisions concerning promotion. One can take one's appeal to the federal court, if necessary. I have correspondence from the chairman of the Public Service Commission saying that few appeals have been taken to the federal court. But that fact, I suggest, is not an indication of the amount of discontent in the public service or the way in which appeals are being handled. I hope the committee that is to be established will look into these matters carefully.

I notice that subparagraph (f) on page 2 of the statement speaks of the "fostering of improved employer-employee relations." That language shows, I suggest, that the government recognizes something is wrong. I wonder if that "something wrong" is not spotlighted by the expression in the last paragraph on page 2 which reads in part, "the first phase of the review will involve a separate examination by each side—" Why by each side? Are we not all on the same side? When the public service was known as the civil service, it was on the same side; we were all on one side.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): It worked hand in glove with the government. Then there was no mention of the parties being on each side. That we have come to such a pass is regrettable. It is high time for the matters listed in the statement to be examined.

Certain other questions ought to be taken into account. For example, the public service is demoralized partly because there are no standard conditions of work throughout the service. In one department the employees are entitled, say, to three weeks annual leave, whereas in other departments they could be entitled to more. Also, provision for sick leave is not standard across the board. I think all such questions should be treated in a standard way, so that each department will know it is being treated as all other departments are being treated.

Finally, I shall comment on the expression on page 3 of the statement reading, "Where it is possible to reach agreement, recommendations will be made to the government . . ." Since the statement speaks of the two sides in this matter, I suggest that if one side feels aggrieved, it should be able to make recommendations and have them considered. Any decision, including a rejection, if that is necessary, ought to be handed down with reasons. Although we welcome this particular statement as an indication that the government intends to improve the morale of the public service, we have some reservations about it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I was particularly pleased to hear the President of the Privy Council in the early part of his remarks use these words: "We have been fortunate indeed to attract the large number of qualified public servants we have in the service today and their dedication and loyalty is to be commended."

I was also pleased to note that at that point the House applauded. It was interesting to hear a comment like that, following some of the other things which have been said in this House in recent weeks about the loyalty and reliability of some of our public servants. We have also heard members in this House, even on the government side, indulging in the pastime of sniping at public servants and blaming them for the faults of the government. I think that once in a while it is good for the sort of thing the statement says to be expressed in the House, and for the House to applaud it.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The fact is that we have a very good public service.

Mr. Baker (Grenville-Carleton): Well said, Stanley.

Mr. Knowles (Winnipeg North Centre): It is inevitable that when very large numbers of people are involved, some mistakes will be made. However, in the main, we are well served. I am also interested to note that Mr. Gallant's statement, which the minister tabled at the same time, emphasizes the importance of protecting the merit principle. Mr. Gallant recognized in his statement that the delegation of hiring powers to the departments had created problems, but he affirmed in the statement that the Public Service Commission regards it as its job to make sure that the merit system is observed. Because there have been some questions about that point, this review is important.

[Mr. Munro (Esquimalt-Saanich).]

Today in his statement the minister said that two things are to be done. First, as the minister announced, the government intends to introduce amendments to the Public Service Staff Relations Act, the Public Service Employment Act and the Financial Administration Act. All those acts have to do with the public service. Like the hon. member for Esquimalt-Saanich I hope those amendments will be forthcoming soon.

The second proposal concerns the establishment of the special three-person committee which is to study the matters the minister listed this morning. I am not horrified, as was my friend for Esquimalt-Saanich, at the suggestion that the representatives for either side in these discussions would have the chance before they meet to line up all the issues with which they are to deal. After all, it is a management-labour situation.

Mr. Munro (Esquimalt-Saanich): But it should not be; it ought to be a service relationship.

Mr. Knowles (Winnipeg North Centre): One should be realistic in arrangements of this kind. The things to which special attention need to be given in the attempt to improve the work of the public service in the main fall under three headings. First, we must do everything possible to enhance and protect the merit system and see to it that all the changes which have been made have not chipped it away. Second, we must underline, confirm and widen the collective bargaining process. It is still my view that it should include such things as classifications, promotions, and so on. I believe that is in the review which is to be made.

In the third place it seems to me that more ought to be said and done about the pensions of our public servants. That I believe those pensions should be improved is well known. But I think the government should take a more aggressive stand in defence of our public servants and their pensions. I deplore, with everything within me, the sniping and attacking that is going on, based largely upon hypothetical situations and a few individual cases. Many public servants, retired and working, wish the government's voice would be heard with regard to this matter. If the government were a little more outspoken in defence of its public servants both working and retired, it would help to improve the morale in the service.

● (1220)

I am a little amazed at the suggestion that this committee will make no recommendations. I suppose if it has the right to express its opinions, that is really the same thing under another name. In any case, we welcome this display of interest in the good job being done by our public service and also the display of interest in improving it. We wish this committee well. We hope that before long we will see the legislation that has again been promised.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, first I would like to express my appreciation to the President of the Privy Council (Mr. MacEachen) for having had the courtesy of sending me his statement in French. One might say, Mr. Speaker, that it complies with the procedure—and I agree—

but still one must accept to do one's duty. That is why I congratulate him.

The president's statement deals first with appointment and hiring practices in the public service. Those practices are not widely known but I presume that every candidate for a position within the public service is fairly treated. Otherwise the President of the Privy Council is fully justified to consider amendments to the public service legislation. The President of the Privy Council has informed the House that he will set up a review body to examine staffing, appointments and training practices in the public service. In paragraph (g), page 2 of his statement, the minister said the committee will examine, and I quote:

(g) more efficient personnel management systems taking into account operational needs of departments and the need to provide an efficient and effective service to the public.

Mr. Speaker, I would not apply that criticism to civil servants generally because, on the whole, I agree with the President of the Privy Council that standards are quite good in the public service. Still, the fact remains that some civil servants should be reminded of their duties in the performance of their work if they are to lose their illusions of grandeur and quit behaving as if they owned the country.

I should like to draw the attention of the President of the Privy Council to the delays in some of the negotiations between the various levels of government, and to the fact that in some cases those delays can be blamed on the officials to whom the negotiations were entrusted. The public is becoming increasingly aware that officials are responsible for big policies and big decisions and that some of them could not care less about the authority of their minister. Such a behaviour encroaches upon the principles of administrative hierarchy.

I therefore hope that the nature of the measures mentioned in the statement of the President of the Privy Council are such that they will improve relations between employers and employees, and that every civil servant will be treated on merit without political considerations entering the picture. I know, on the other hand, that it is not easy to serve the public. Still, those who chose that vocation, the civil service or the political arena, should expect to be the target of some criticism. However, if in the space of two months the government has felt that it should draw the attention of the House to this matter, obviously there is some unrest. If creating that committee, and changing the public service legislation as the government suggests, can improve the situation, I am sure that is what everyone of us wishes.

So, under the circumstances, I feel that the government is making an effort to act; but, if there are complaints about administrative delays in the case of some officials, then the government will have to set the example by going ahead as soon as possible, since it has introduced those measures.

[*English*]

Mr. Baker (Grenville-Carleton): Mr. Speaker, I wish to put a question to the President of the Privy Council. I will preface my question by saying that I share the sentiments expressed by the members of the House who have spoken in welcoming the statement. The statement did not make it clear, but in the course of the matters before the examiners, will it be within the purview of the examination to be conducted of various items listed in the minister's statement to examine the effect of the implementation of the official languages program in the public service as part of discussing the general field of employer-employee relations? The reason I ask this is that during the course of the Finkelman committee that matter was not discussed. It was said at that stage that it would be left to a later time. Is this the time when that kind of examination will take place? Is it the type of examination that would be within the purview of this committee?

Mr. MacEachen: Mr. Speaker, first may I thank hon. members opposite for the generally positive response to this step which results from a recommendation of a joint parliamentary commission. It is not the intention to have this committee directly enter into an investigation of the operation of the bilingualism program. As I look at the terms of reference which have been agreed to, it appears to me that it may be brought in indirectly, but as I understand it, it is not the intention to have this as a frontal approach or frontal project of study.

Mr. Baker (Grenville-Carleton): That is as I suspected, Mr. Speaker. The minister has answered my question with regard to this matter. The other aspect I want to raise refers to that part of the statement where the minister indicated there would not be an examination of structures. Does that preclude the committee from dealing with the pay research bureau, for example, and the part it plays in assisting the bargaining process and in assisting the public to understand the considerations that come into play with regard to public services salaries, how they are established, and pension matters, particularly the question of indexing. Will it be beyond the purview of this committee to deal with, and perhaps answer, many questions that are being asked, thereby allaying many fears that are being expressed? Does the reference to the inability of the committee to deal with the structural problem exclude that kind of consideration from the work of the committee proposed in the minister's statement?

● (1230)

Mr. MacEachen: This is a new question for me and I will answer it as I appreciate the situation as it ought to be, that the committee would not in any way be obligated or entrusted with examining the reorganization of government departments or the creation of new departments or matters of that kind. But it would seem to me that under (f), for example, improved employer-employee relations might involve consideration of an institution like the pay research bureau in so far as it assists and could assist more in the fostering of better employer-employee relations. That is how I appreciate the situation.

Mr. Knowles (Winnipeg North Centre): Two short questions. First, will the report of this new tripartite committee be made public? Second, does the government intend to bring in

its legislation amending the Public Service Staff Relations Act, the Public Service Employment Act and the Financial Administration Act before, or after, it receives the report of this new committee?

Mr. MacEachen: In answer to the first question, the intention is that the committee's deliberations will lead to the making of a public report. As I indicated in my statement, where possible the committee will make recommendations where they agree, but if they are unable to agree, the chairman, carrying out his functions, will identify differences of opinion and outline possible options in areas of disagreement. It is not the intention to hold up the amendments to the measure the hon. member mentioned pending the receipt of this report, because I do not know how long the special committee will take. I would hope we would have the amendments to these statutes before the House well before the report is made.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT RESPECTING BRAMPTON-GEORGETOWN

Mr. Ross Milne (Peel-Dufferin-Simcoe) moved for leave to introduce Bill C-392, respecting the Electoral Boundaries Readjustment Act (Brampton-Georgetown).

Mr. Knowles (Winnipeg North Centre): Explain.

Mr. Milne: I should like briefly to explain my reason for introducing this bill. The commissioners recommended that the redistributed riding be known as Brampton-Halton Hills. I propose, by this bill, to change that and name the new riding Brampton-Georgetown. This would bring the name into line with the wishes of the people of Georgetown and prevent a good deal of confusion which would exist if Halton Hills were left in the name, because the majority of the area covered in the town of Halton Hills will remain with the riding of Halton.

I think the traditional relationship between Halton Hills and the riding of Halton, which my good friend and colleague, the hon. member for Halton (Mr. Philbrook) represents, should remain. It would clear up this confusion to have the constituency known as Brampton-Georgetown.

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

AMENDMENT RESPECTING WELLINGTON-DUFFERIN-SIMCOE

Mr. Ross Milne (Peel-Dufferin-Simcoe) moved for leave to introduce Bill C-393, respecting the Electoral Boundaries Readjustment Act (Wellington-Dufferin-Simcoe).

Mr. Knowles (Winnipeg North Centre): Explain.

Mr. Milne: Again, Mr. Speaker, very briefly, the commissioners propose to call this new riding Dufferin-Wellington. I propose, under this bill, to have that name changed to Wellington-Dufferin-Simcoe. This is primarily in recognition of the fact that a substantial number of people from Simcoe, some 11,000, will be included in this riding, two townships and one municipality by the name of Alliston, which is a substantial town in Simcoe and which will be one of the larger centres in this new riding. I think, therefore, that part of the riding from Simcoe should have recognition by being included in the name of the new riding.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 132, 345, 356, 502, 504, 670, 796, 934, 971, 1,000, 1,003, 1,064, 1,071, 1,074, 1,078, 1,083, 1,089, 1,099 to 1,122 incl., 1,134, 1,162, 1,167, 1,183, 1,186, 1,203, 1,205, 1,220, 1,227, 1,260, 1,278, 1,313, 1,327, 1,328, 1,374, 1,387 and 1,390.

[*Text*]

DEPARTMENT OF SECRETARY OF STATE—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 132—**Mr. Orlikow:**

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Department of the Secretary of State?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Hon. John Roberts (Secretary of State): 1. (a) Arnal, M. E. $2,500; Beaudoin, A. $10,865; Bociurkiw, B. $5,000; Burpee, N. $4,500; Canadian Human Rights Foundation $4,860; Cantryn, M. $7,500; Conistat Consulting Services $72,000; Conseillers thermatiques enregistrés $2,500; Cotten, J. $4,800; Ceyes, R. $10,000; Dahlie, J. $10,000; Day, A. G. $4,800; Dixon Bailey Associates Ltd. $12,145; MacDonald, J. $11,720; Eberts, M. $2,600; Kerk, F. $4,978; Fox, R. J. $9,300; Hawrylyshyn, A. $8,000; Hudak, Dr. L. $4,800; Institut canadien d'éducation des adultes $35,000; Institute for Behavioural Studies $24,871; Memorial University of Newfoundland $24,900; Menendez, A. $4,875; McMaster University $3,769; Morrison, W. O. $4,875; Moses, K. $5,000; Myrick, T.V. $5,000; Multi-Reso Incorporated $15,000; Pass Management Consultants Ltd. $3,500; Perconsult Ltd. $5,000; Provision Ltd. $4,000; P.S. Ross and Partners $13,500; Rivet, M. $2,200; Rosenstock, J. D. $15,750; Social Science Research Council $4,891; Square One Management Ltd. $18,700; Stewart, C. $12,200; Storey, F. $16,000; Yalden, J. $4,500; Yeas, A. M. $12,625; York University $26,985; Queens University $78,974. (b): Federal Systems of Canada

$10,760; Price Waterhouse Associates $10,000; Systems Dimensions Ltd. (S.D.L.) $10,317; Thorne Riddel Associates Ltd. $11,900; Total: $577,960.00.

2. See 1 above.

3. (a) $813,019.00. (b) Nil.

PROPORTION OF SALES EARNED BY THE LARGEST WHOLESALERS OF FARM MACHINERY AND EQUIPMENT

Question No. 345—**Mr. Nystrom:**

1. What proportion of total sales did the four largest wholesalers of farm machinery and equipment in the industry earn in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year statistics are available)?

2. What proportion of total sales did the eight largest firms in the industry earn in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year statistics are available)?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports: 1. The proportion of total wholesale sales of farm machinery made by the four largest firms in the wholesale farm machinery industry in 1971 was 19.2 per cent and in 1973 was 22.2 per cent.

2. The proportion of total wholesale sales of farm machinery made by the eight largest firms in the wholesale farm machinery industry in 1971 was 24.8 per cent and in 1973 was 26.5 per cent.

NOTE: Data for 1960 and 1965 are not available.

FISH PRODUCTS INDUSTRY SALES

Question No. 356—**Mr. Nystrom:**

1. What proportion of total sales were the sales of the four largest firms in the fish products industry in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year statistics are available)?

2. What proportion of total sales did the eight largest firms in the industry earn in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year statistics are available)?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports: 1. The proportion of total sales earned by the four largest firms in the fish products industry was 41.2 per cent in 1958*, 35.6 per cent in 1965, 39.1 per cent in 1970 and 42.5 per cent in 1972.

2. The proportion of total sales earned by the eight largest firms in the fish products industry was 51.9 per cent in 1958* 50.6 per cent in 1965, 52.4 per cent in 1970 and 54.4 per cent in 1972. * Data are not available for 1960. For certain industries data are available for 1958 as the result of a recent historical study of selected industries.

EDC—TRADE RELATIONS WITH THIRD WORLD

Question No. 502—**Mr. Herbert:**

Is the government aware of a reported statement by an official of the Export Development Bank that "Canada must establish trading relations with the Third World and is in a good position to do so because Canada is not thought to have ulterior motives" and, if so, does the government support a policy of investment in Third World countries that is not subject to conditions or understandings of at least partial reciprocal benefit for Canada?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as Export Development Corporation is concerned: The government is aware of a reported statement by an official of the Export Development Corporation that "Canada must establish trading relations with the Third World and is in a good position to do so because Canada is not thought to have ulterior motives". The government supports Canadian investment in Third World countries through Section 34 of the Export Development Act. The Export Development Corporation has an established policy which specifies that only investors who can demonstrate economic benefits for both Canada and the host country are eligible for foreign investment insurance under the Act.

PORK IMPORTS—SEPTEMBER 1, 1975 TO AUGUST 31, 1976

Question No. 504—**Mr. Lambert (Bellechasse):**

From September 1, 1975 to August 31, 1976, did Canada import pork and, if so (a) in what quantity (b) at what price (c) from which countries?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports as follows: In the period September 1975 to August 1976 inclusive, Canada imported 146,149,900 pounds of pork for a value of $129,868,312, at an average cost of $.89 per pound. A breakdown of this total by supplying country appears on the table below:

Country	Qty (cwt.)	Value ($)	Price per Cwt. (100 lbs.)
United Kingdom	3,928	407,733	103.80
Ireland	1,869	277,207	148.32
Denmark	43	6,715	156.16
Netherlands	2,716	421,215	155.09
Poland	21,693	2,193,339	101.11
United States	1,431,250	126,562,103	88.43
Total	1,461,499	129,868,312	88.86

DEPARTMENT OF SUPPLY AND SERVICES PERSONNEL

Question No. 670—**Mr. Lachance:**

Between the date of the presentation of the last budget May 25, 1976 and October 12, 1976, did the Department of Supply and Services, Canadian Arsenals Limited, Canadian Commercial Corporation, Crown Assets Disposal Corporation and Royal Canadian Mint hire, dismiss or transfer employees to other departments and, if so, how many?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Department of Supply and Services:

	Term	Permanent
Hired	449	131
Dismissed	14	2
Transferred	19	103

Canadian Arsenals Limited: Hired: 22 Dismissed: 78 Transferred: Nil Canadian Commercial Corporation: The human resources required to operate the Corporation are provided by the Department of Supply and Services. Crown Assets Disposal Corporation: Hired: 10 Dismissed: Nil Transferred: 2 Royal Canadian Mint: Hired: 16 Dismissed: 53 Transferred: 1

STUDY OF HEALTH CARE PRODUCTS SECTOR

Question No. 796—Mr. Herbert:

What are the terms of reference and what is the objective of the study of the health care products sector being undertaken by the Department of Industry, Trade and Commerce?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: The health care product sector is one of growing importance to Canada, having the capacity to make a significant contribution to the government's objective of improving the quality of life for all Canadians. Canadian consumption of health care products, which include medical supplies, equipment and devices as well as pharmaceuticals, is now well in excess of one billion dollars, nearly half of which is imported. Growth in consumption of health care products has been above the average of that of manufactured products and it is expected to continue this way. The objective of the study now being undertaken is to determine how the health care manufacturing sector in Canada can capitalize on domestic growth prospects and maximize its contribution to the Canadian economy through sound industrial development. The study outline has not yet been finalized but it is expected that the study will include, inter alia, the development of a profile of the Canadian industry, a determination of market trends by major product groups, an analysis of the international structure of the industry and how it exerts an influence on Canadian industrial development, an evaluation of the effects of the existing government policy environment on the industry and its development, and an identification of potential research, development and manufacturing opportunities. An in-depth study such as this will require very close cooperation from a number of federal departments, provincial governments and associations representing the private sector's participation in all phases of the study, including its definition, detailed analysis and identification of possible policy options and their impacts will be essential if the desired results are to be obtained.

VANCOUVER INTERNATIONAL AIRPORT—FINAL REPORT OF AIRPORT PLANNING COMMITTEE

Question No. 934—Mr. Reynolds:

1. How many copies of the final report of the Airport Planning Committee in British Columbia were produced?

2. Have any copies been distributed and, if so (a) in what manner (b) how many were free and to whom were they sent (c) how many were sold and by whom?

3. How many copies are still in inventory and where are they located?

4. Has the government received any requests from community associations or persons involved in the airport planning process for free copies that it is not able to fulfill?

Hon. Otto E. Lang (Minister of Transport): 1. There have been 3,000 copies of the Airport Planning Committee final report ordered and 3,015 delivered by the printer.

2. There have been 1,957 copies of the report distributed. It was agreed in the APC that Transport Canada would carry out the distribution: 2,000 were allocated for free distribution: 1,943 of the copies were distributed free by mail and vehicle delivery to the following:

	Number of copies	
Staff members of the Tri-Level Committee	22	
Senators and MP's from British Columbia	26	
		48
APC Member Agencies		
Air Carriers	31	
B.C. Aviation Council	50	
City of Vancouver	150	
Community Forum	400	
Department of Environment	50	
Department of Public Works	10	
Government of B.C.	100	
Greater Vancouver Regional District	400	
Ministry of State for Urban Affairs	25	
Municipality of Richmond	100	
Transport Canada	400	
		1,716
Media	36	
Libraries	90	
Associations	10	
Universities	43	
		179
		1,943
Sold by Transport Canada on behalf of APC	14	
Total distributed	1,957	

3. Of the 1,000 copies allocated for sale, 986 copies remain in inventory at Transport Canada planning offices at Vancouver International Airport. Of the 2,000 copies which were allocated for free distribution there are approximately 75 left and these have been reserved to meet requests from members of parliament, libraries, universities, colleges, associations and the media.

4. The Community Forum requested 100 additional free copies but the request was not granted because they had previously been given 400 free copies consistent with their membership. We have stressed that there are some 90 copies available for reference in lower mainland public libraries and

that copies are available both for reference and sale at our offices.

ST. LAWRENCE SEAWAY AUTHORITY—TOLLS

Question No. 971—**Mr. Forrestall:**

1. Is the government considering increases in the tolls charged by the St. Lawrence Seaway Authority and (a) if not, for what reason (b) if so, to what extent and on what date?

2. When the proposed higher tolls come into effect, will they, in the best estimate of the government, be sufficient to (a) enable the St. Lawrence Seaway Authority to operate without incurring operating losses (b) to fully recover capital costs and, if not, to what extent, in the best estimate of the government, will the proposed toll increases fall short of achieving these goals in the first full year of operation?

Hon. Otto E. Lang (Minister of Transport): The St. Lawrence Seaway Authority advises as follows: 1 and 2. The whole question of Seaway tolls is presently under consideration and discussion.

PAYROLL COSTS IN FRINGE BENEFITS

Question No. 1,000—**Mr. Herbert:**

1. What was the percentage of payroll costs go in fringe benefits in 1975 for (a) manufacturing industries (b) non- manufacturing industries?

2. How were these benefits divided between (a) pension plans (b) unemployment insurance payments (c) other insurance payments (d) paid vacations (e) paid holidays (f) paid sick leave (g) workman's compensation (h) other benefits?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports: 1 and 2. The information requested is not available in the form required.

ESTIMATED AMOUNT OF DIRECT INVESTMENT BY UNITED STATES COMPANIES IN CANADIAN INDUSTRY

Question No. 1,003—**Mr. Herbert:**

What is the estimated amount of direct investment (a) in actual dollars (b) in constant dollars by US companies in Canadian industry for the years (i) 1950 (ii) 1955 (iii) 1965 (iv) 1970 (v) each year since 1970?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Estimates of United States direct investment in Canada are prepared on the basis of the current cost of the investments at the time they are made. The net inflow of United States direct investment during each of the following years is estimated at:

(millions of dollars)

1950	1955	1965	1970	1971	1972	1973	1974	1975
202	317	421	628	599	457	423	615	535

Each year statistical reports are obtained showing the updated book value of direct investment as recorded in the accounts of companies in Canada in which there is direct investment. These statistical reports are based on the normal financial reporting system of the companies, compiled in accordance with accepted accounting principles. The year to year change in the book value of direct investment is affected not only by net direct investment inflows but also by net increases in undistributed earnings of the companies and other factors. The book valùe of United States direct investment in Canada at the end of the following years is estimated to be:

(millions of dollars)

1950	1955	1965	1970	1971	1972	1973	1974
3,426	6,513	14,059	21,100	22,443	23,679	26,113	28,996

An estimate on this basis is not yet available for 1975. Estimates of direct investment at constant prices are not prepared because the information that would be required in order to make such estimates is not available.

HIGHWAY CONSTRUCTION, FREDERICTON, N.B.

Question No. 1,064—**Mr. Howie:**

1. Has any request for financial assistance for the construction of a highway bridge across the St. John River at Fredericton, New Brunswick been received from the Province since January 1, 1975 and, if so, what was the response?

2. How much was requested and how much, if any, was committed?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 1. The Fredericton bridge was included as part of a package, submitted to DREE on April 30, 1976, and intended to open program discussion on a proposed 5 year Highways Agreement. This project was not considered a high priority item within the context of the General Development Agreement objectives and was therefore not included in subsequent discussion documents.

2. (a) The project cost estimate contained in the submitted package totals $43 million over four years. (b) No commitment was made.

PUBLIC WORKS—TRANSFER, ACCOMMODATION COSTS

Question No. 1,071—**Mr. Herbert:**

1. Does the Department of Public Works intend to transfer accommodation costs to the user departments and, if so, on what date?

2. (a) Of the $434,355,000 allowed for accommodation in the 1974-75 budgetary expenditures, what amount, by department, can be reallocated (b) apart from the cost of accommodation for the Department of Public Works, what are the reasons that any remaining balance cannot be similarly charged out?

Hon. Judd Buchanan (Minister of Public Works): 1. As this question relates to a change in present government policy, it cannot be properly answered by Department of Public Works. Public Works, over the past few years, has recommended that accommodation costs be carried in the programs of the user departments. However, this recommendation has not been accepted and for 1976/77, generally only those departments/agencies operating from a revolving fund or otherwise required to pay for their services, are being charged

by Department of Public Works for the space they occupy. All departments/agencies, however, presently pay for "tenant service" work carried out during their occupancy. In 1976/77, it is estimated that only approximately 10 per cent of Department of Public Works' Accommodation (Operating) program costs of $355 million will be recovered from other departments/agencies.

2. (a) and (b) The 1974/75 budgetary expenditures of $434,355,000 referred to in the question, represents the actual net expenditures for the Department of Public Works' Accommodation program:

	($000)	($000)
Operating expenditures	267,486	
Less: Revenues	41,845	
Net operating		225,641
Capital Expenditures		208,714
Total Accommodation (net)		434,355

Departmental records do not provide for a breakdown of these costs by department/agency. In the case of the Capital expenditures, it would not be proper to allocate costs incurred in one year for facilities that are designed to provide services for 25 years or more. The Department does have available however, a register showing the amount of space assigned to each department/agency, together with the cost of that space as calculated by the Department of Public Works. For example, the department on April 1, 1975 controlled a total of 75 million square feet for which we had established a rental valuation of $344 million.

PRODUCTION OF DAIRY PRODUCTS

Question No. 1,074—**Mr. Halliday:**

What was the production of (a) cheese (b) butter (c) powdered milk in (i) Ontario (ii) Quebec for each year 1971 to date?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports:

Production of Specified Dairy Products—1971-1975
'000 lb

	Quebec					Ontario				
	1971	1972	1973	1974	1975	1971	1972	1973	1974	1975
Cheddar Cheese	100,152	92,172	99,688	104,422	73,578	74,626	78,840	67,051	66,036	74,666
Other Cheese[1]	21,397	20,399	20,128	45,487	43,868	34,025	34,681	35,982	41,053	39,853
Cottage Cheese	4,464	4,681	4,547	4,330	4,786	22,833	23,050	25,349	23,727	23,317
Creamery Butter	136,593	138,259	120,821	110,425	144,685	80,003	87,204	73,677	74,118	85,480
Whey Butter	3,279	3,128	2,209	2,909	4,196	3,635	4,356	4,764	5,112	4,776
Skim Milk Powder	203,725	230,390	217,257	210,638	281,320	78,758	92,546	69,417	70,834	95,744
Whole Milk Powder	2,142	2,966	2,522	2,167	2,218	157	84	726	424	494

[1] All varieties made from whole milk and cream except cheddar and process cheese.

ATLANTIC PROVINCE AIR SERVICES

Question No. 1,078—**Mr. Howie:**

1. On what date was the last public hearing of the Air Traffic Committee of the Canadian Transport Commission held in New Brunswick concerning air carriers supplying a service exclusively in the Maritime provinces and what applicants were before the Committee?

2. Has a decision been taken on the matter and (a) if so, on what date (b) if not, have any of the applicants discontinued service while awaiting the decision?

3. Is an interim financial assistance available to any such applicants who discontinued service while awaiting the decision?

4. What assistance is available to such air carriers?

Hon. Otto E. Lang (Minister of Transport): The Canadian Transport Commission advises as follows: 1. The last public hearing of the Air Traffic Committee of the Canadian Transport Commission was held on June 11, 1976, on applications by Atlantic Central Airlines, Eastern Flying Service and Eastern Provincial Airways. (The hearing subsequently adjourned to Halifax and was completed there July 10.)

2. Yes. (a) Decisions were issued December 21, 1976. (b) There was no discontinuance of licensed service.

[Mr. Buchanan.]

3. No.

4. Not applicable.

1974-75 ESTIMATES—EMPLOYEE PENSION AND MEDICAL PLANS

Question No. 1,083—**Mr. Herbert:**

1. What was the total amount contributed in the 1974-75 estimates to employee pension and medical plans?

2. What amount of this sum was not allocated to the user department and for what reason?

Hon. Robert K. Andras (President of the Treasury Board): 1. $375,351,000. This amount comprises $256,206,000 shown in those Departments and Agencies whose employees come under the Public Service Staff Relations Act and $119,145,000 in the Estimates of the Treasury Board. There is in addition: (a) $318,915,000 contributions to the Defence Forces Pension Account; and (b) $32,698,000 contributions to the members of the Royal Canadian Mounted Police Pension Account.

2. $119,145,000 made up as follows: Public Service Pensions: (a) Public Service Death Benefit Account, $2,350,000; (b) Canada and Quebec Pension Plans, $32,000,000; (c) *Locally Engaged (Outside Canada) Pensions, $433,000; Public Service Insurance: (d) *Surgical-Medical and Other Insurance Premiums, $55,000,000; (e) Contributions to Unemployment Insurance Account, $36,000,000; (f) *Hospital Insurance (Outside Canada) Plan, $900,000; (g) *Health Insurance Plans for Employees Engaged Locally (Outside Canada), $55,000; Total: $126,738,000; Less Revolving Fund Recoveries, $7,593,000; Net total: $119,145,000. In 1973-74 Superannuation and Supplementary Retirement Benefits amounts were allocated to user departments. In 1975-76 a further distribution of Canada Pension Plan/Quebec Pension Plan and Death Benefit charges was made. It is planned in 1977-78 to allocate Unemployment Insurance employer contributions; this being made possible by amendment to the Unemployment Insurance Act which authorized the charges as a statutory payment. After 1977-78, the only undistributed items will be those shown above marked with an asterisk. These items will remain in Treasury Board Estimates as the authorizing legislation is provided in Treasury Board Vote 20. To allocate these to departments would require extended Vote wordings in each such department.

AIR CANADA PERSONNEL

Question No. 1,089—**Mr. Howie:**

Since January 1, 1975, how many persons were added to the personnel of Air Canada?

Hon. Otto E. Lang (Minister of Transport): The Management of Air Canada advises as follows: Between January 1, 1975, and November 1976, the total number of employees decreased by 281.

PROJECTED ADDITIONAL COSTS FOR THE NEXT FISCAL YEAR FOR ALL INDEXED PROGRAMMES

Question No. 1,099—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Ministry of State for Urban Affairs for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): The only programs whose costs are indexed are: Old Age Security Pensions and the Guaranteed Income Supplement—The payments are indexed quarterly based on the increase in the Consumer Price Index for a previous quarter (i.e. July to September for January; October to December for April; January to March for July; and April to June for October.) Family Allowances—These payments are indexed January each year and are based on the increase in the Consumer Price Index for the 12 month period ending in September of the previous year. War Veterans Allowances—These payments are indexed quarterly using the same formula as the OAS-GIS payments. Was Veterans Disability Pensions—These payments are indexed January each year using the same formula as Family Allowances. Training Allowances under the Occupational Training Program—These payments are indexed yearly in July using the increase in the average hourly earning in manufacturing for the previous year ending in June. Bill C-19, the Government Expenditure Restraint Act, would eliminate the indexing provision. Unemployment Insurance Benefits—The maximum payments are indexed yearly in January using the increase in the average earnings index. The actual increase in government costs depends on the unemployment experience. The costs for each of these items will be shown in the 1977-78 Main Estimates which are expected to be tabled in February, 1977.

Question No. 1,100—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Consumer and Corporate Affairs for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,101—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of the Solicitor General for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,102—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Post Office Department for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,103—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of the Secretary of State for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,104—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Manpower and Immigration for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,105—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Regional Economic Expansion for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Order Paper Questions

Question No. 1,106—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Fisheries and of the Environment for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,107—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Public Works for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,108—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of National Defence for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,109—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Communications for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,110—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of National Health and Welfare for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,111—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Veterans Affairs for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,112—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Ministry of State for Science and Technology for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,113—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Agriculture for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

[Mr. Andras.]

Question No. 1,114—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Indian Affairs and Northern Development for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,115—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Energy, Mines and Resources for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,116—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Supply and Services for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,117—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Transport for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,118—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of External Affairs for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,119—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Justice for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,120—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Labour for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,121—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Finance for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

Question No. 1,122—**Mr. Herbert:**

What are the projected additional costs for the next fiscal year for all programmes that are indexed in the Department of Industry, Trade and Commerce for (a) anticipated normal growth (b) indexing at 8 per cent?

Hon. Robert K. Andras (President of the Treasury Board): See answer to Question 1,099 today.

CNR—CONTAINER RATES

Question No. 1,134—**Mr. Forrestall:**

Does CNR intend to increase the container rates between Halifax and Montreal-Toronto before March 6, 1977 and, if so, by how much?

Hon. Otto E. Lang (Minister of Transport): The Management of Canadian National Railways advises as follows: no.

UNEMPLOYMENT AS OF SEPTEMBER 30, 1976

Question No. 1,162—**Mr. Lambert (Bellechasse):**

On September 30, 1976, what was the percentage of unemployment in the region of (a) Montreal (b) Quebec (c) the Eastern Townships (d) the South Coast (e) the lower St. Lawrence (f) the North Coast (g) Lac St-Jean (h) Northwestern Quebec?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports as follows: Estimates of the percentage of unemployment as of September 30, 1976, are not available for the regions specified. For the week ending September 18, 1976, Statistics Canada estimates of the percentage of unemployment for various regions of Quebec are as follows: Bas-St. Laurent-Gaspésie, 14.3; Saguenay-Lac St. Jean, 14.6; Québec, 9.0; Trois-Rivières, 11.9; Cantons de l'Est, 10.5; Montréal, 7.6; Outaouais, 9.4; Nouveau-Québec, Nord-Ouest, Côte-Nord, 10.5.

SEATRAIN LINES INC., NEW YORK—CONTAINERIZED CARGO BETWEEN CANADA AND THE UNITED STATES

Question No. 1,167—**Mr. Forrestall:**

1. Is the government aware of the announced intention of Seatrain Lines Inc., of New York, to file new tariffs with the Federal Maritime Commission in the U.S., specifically designed to cause losses to the ports of Halifax, Saint John and Montreal, in respect of their handling of containerized cargo destined for or originating in the Midwestern United States and, if not, for what reason?

2. If the government is aware of Seatrain's intention, has it assessed the impact such a move would have on Canadian ports particularly if followed by other lines and has it prepared plans to offset any such losses and, if so, what (a) is the government's assessment (b) are the government's plans?

3. Has the government raised this matter with United States authorities?

Hon. Otto E. Lang (Minister of Transport): 1. Yes.

2. The government is monitoring the movements of containerized cargo between Canada and the United States. The full impact of such possible development is not known yet.

3. No.

Order Paper Questions

NUMBER OF PEOPLE RESIDING IN CANADA AS OF MARCH 31, 1976

Question No. 1,183—**Mr. Lambert (Bellechasse):**

As of March 31, 1976, how many (a) male (b) female persons were there residing in Canada between the ages of (i) 0 to 18 years (ii) 19 to 25 years (iii) 26 to 40 years (iv) 41 to 50 years (v) 51 to 59 years?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports as follows: The approximate number of persons residing in Canada on April 1, 1976, by sex and by the requested age groups are set out below:

		(a) Males	(b) Females
(i)	0-18	4,072,300	3,887,200
(ii)	19-25	1,512,700	1,488,100
(iii)	26-40	2,397,700	2,343,800
(iv)	41-50	1,287,300	1,259,400
(v)	51-59	957,000	1,003,900

These figures have been arrived at by applying to the total Canadian population estimate on April 1, 1976, the same proportions as obtained in the estimate by age and sex on June 1, 1975.

IMPORTS OF DEHYDRATED PRODUCTS

Question No. 1,186—**Mr. Loiselle:**

Are any products dehydrated by atomization imported and, if so, which products?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: The commodity classification used by Statistics Canada to compile foreign trade statistics does not make a separate provision for imports of products dehydrated by atomization. Because of the relatively low volume of shipments, such products are included with other similar materials in general categories; consequently, they are not identifiable from the published totals.

CARGO SHIPPED THROUGH THE GROS CACOUNA HARBOUR SINCE 1972

Question No. 1,203—**Mr. Forrestall:**

What was the amount of cargo, in tons, shipped through the Gros Cacouna Harbour each year since 1972?

Hon. Otto E. Lang (Minister of Transport): As there are presently no marine terminal facilities at Gros Cacouna, no cargo has been shipped through this harbour.

TRANSPORT—RENEWAL OF PILOTS PRIVILEGE

Question No. 1,205—**Mr. Johnston:**

1. Have any pilots over 40 years of age been discouraged from renewing their pilot's privilege because of the added expense and greatly increased inconven-

ience of having the electrocardiogram and subsequent tests and, if so, how many?

2. Have any pilots over 40 years of age, since the inception of these requirements, been assessed unfit to fly and, if so (a) how many (b) how many have successfully appealed the assessment?

3. Were any pilots over 40 years of age assessed unfit to fly in the two year period prior to the new ruling and, if so, how many?

4. What is the ratio of English/French speaking pilots (a) who have been assessed unfit to fly (b) presently under training for flight in Canada?

5. In the period 1972 to 1974, how many accidents involving aircraft (a) have been caused by the pilot suffering a "heart attack" (b) have involved pilots over 40 years of age (c) have been the result of the pilot suddenly being taken ill?

Hon. Otto E. Lang (Minister of Transport): 1. We have no way of knowing if any pilots over 40 years of age have been discouraged from renewing their pilot's privilege because of the added expense and greatly increased inconvenience of having the electrocardiogram and subsequent tests.

2. Yes. (a) statistics are not kept with respect to the number assessed unfit, or (b) the number of successful appeals.

3. Yes, but statistics in this regard are not kept.

4. Statistics are not kept of the ratio of English/French speaking pilots.

5. During the period 1972 to 1974 inclusive there were: (a) three accidents caused by a pilot suffering a heart attack; (b) 667 accidents involving pilots over 40 years of age; and (c) four accidents as a result of a pilot suddenly taken ill.

AEROSOL SPRAYS STUDIES

Question No. 1,220—**Mr. Howie:**

Are any studies underway or authorized by any government department, agency or consultant, into the effects of propellant gases used in aerosol sprays on the ozone layer of the atmosphere and, if so, which departments, agencies or firms are conducting such studies?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): Yes, the Department of the Environment, Atmospheric Environment Service is the lead agency in Canada with a significant research effort in this area. Since 1974 Project STRATOPROBE utilizes high altitude balloon platforms to obtain comprehensive measurements of key stratospheric constituents involved in the chemistry of the ozone layer in order to test stratospheric pollution models. A latitude-dependent, computer model to simulate the effects of freons on the ozone layer has been developed. Additional modelling and experimental research in Canadian universities is presently being supported. BOMEN Inc. of Ste Foy, P.Q. also take part in the experimentation and SED Systems Ltd of Saskatoon, Sask. provide payload engineering and field support.

VANCOUVER INTERNATIONAL AIRPORT—SECOND PARALLEL RUNWAY

Question No. 1,227—**Mr. Leggatt:**

1. Since the January 1976 summary report by the Ecological Sub-Committee for the Vancouver International Airport Planning Committee, did the Department of Transport suggest that a second parallel airport runway might be possible as an alternative and, if so, are any studies, environmental assessments or evaluations now under way regarding concepts for a second parallel runway?

2. Has the Department of the Environment received any referrals from the Department of Transport for the consideration of any new development concepts for a second parallel runway at Vancouver International Airport and, if so, what specific concepts have been referred?

[Mr. Johnston.]

Hon. Otto E. Lang (Minister of Transport): 1. I announced on August 12, 1976 that there would be a two year delay in making a decision on this proposal. During this period the proposal will be subjected to the Federal Environmental Assessment and Review Process.

2. The proposal that the parallel runway be constructed within the dyke at Vancouver International Airport has been referred to the Department of the Environment. Drawings and other information related to the runway proposal have been forwarded to the Chairman of the Environmental Panel.

TRANSPORT—CHARTERS TO RIVTOW STRAITS FOR PROVISION OF PASSENGERS AND FREIGHT SERVICE

Question No. 1,260—**Mr. Leggatt:**

1. Are there guidelines and service requirements under the Department of Transport charters to Rivtow Straits for the provision of passenger and freight service on the British Columbia coast and, if so, what are they?

2. What commitment, if any, did federal authorities receive from Rivtow Straits in regard to tariff charges for freight and passenger service or the granting of their charters?

3. What subsidy, if any, is paid by the (a) federal (b) provincial authorities to (i) Rivtow Straits (ii) Coast Ferries Limited?

4. What was the date of the last inspection by the Department of Transport of the vessel *Malibu Princess* now serving Prince Rupert to Masset?

5. What are the names and addresses of the Directors and shareholders of Rivtow Straits Limited?

Hon. Otto E. Lang (Minister of Transport): 1. A service contract in respect of passenger service between Prince Rupert and Queen Charlotte Islands is being developed by the Canadian Transport Commission.

2. No committments were given other than Rivtow Straits public announcement that it would offer freight service to any port of call abandoned by Northland and not already served by Rivtow Straits, at Northland's published tariff whilst experience was gained in traffic quantity and mix.

3. (a) (i) None yet. CTC negotiating in respect of passenger movements to Queen Charlotte Islands. (ii) None. (b) (i) Not known. (ii) Not known.

4. November 25, 1976.

5. Not known.

SULPHUR EMISSIONS

Question No. 1,278—**Mr. Leggatt:**

1. Are there regulations currently in effect to control sulfur emissions into the atmosphere (under the Clean Air Act) by oil and coal burning electric generating plants?

2. Does the government in any way finance or subsidize the development and installation of flue-gas desulfurization units designed for thermal-electric generating plants?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. There are no regulations currently in effect under the Clean Air Act to control emissions of sulphur oxides from oil and coal burning electric generating plants. The Clean Air Act does not give the federal government direct control over emissions of an air pollutant unless it is a significant danger to health. The Department of National Health and Welfare has not, at this time, declared sulphur dioxide to be an air pollutant presenting a significant danger to the health of persons. However, current consideration is being given to a regulation limiting the sulphur content in fuels, under Fuel Provisions of the Clean Air Act. This would have the effect of controlling sulphur emissions from electric generating plants in the same way as direct emission control limit. Also under preparation is a National Emission Guideline for the Thermal Power Generating Industry with stated limits on sulphur dioxide emissions.

2. There is no direct subsidy program for pollution control equipment such as flue gas desulphurization units for thermal-electric power plants. However, the government does have a funding program for the Demonstration of Pollution Abatement Technology (DPAT). This program could be used to cost share under contract with an industry, the demonstration of new flue gas desulphurization technology. These funds, however would normally be restricted to one installation of a type. Under the program, the technology then becomes available for use by all similar plants in Canada. Flue gas desulphurization units would also qualify for the Accelerated Capital Cost Allowance program that allows fast write-off of money spent on pollution control equipment.

TAXABLE INCOMES IN EXCESS OF $100,000 FOR 1975

Question No. 1,313—Mr. Herbert:

For the 1975 taxation year, how many persons declared taxable incomes in excess of $100,000 in (a) Canada (b) each province?

Hon. Monique Bégin (Minister of National Revenue): Statistics for the 1975 taxation year will not be available until approximately July 1, 1977

1976-77 PROMOTIONAL PROJECTS—EUROPEAN REGION

Question No. 1,327—Mr. McKenzie:

What was the cost of project number (a) 76-676 (April 1976) (b) 76-975 (April 1976) (c) 76-689 (April 1976) (d) 76-690 (April 1976) (e) 76-680 (May 1976) (f) 76-640 (June 1976) (g) 76-710 (June 1976) (h) 76-729 (September 1976) (*i*) 76-976 (September 1976) (j) 76-623 (September 1976) (k) 76-634 (September 1976) (l) 76-685 (October 1976) (m) 76-667 (November 1976) (n) 76-726 (November 1976) of the European Division of the Office of Export Programs and Services and, in each case, what was its purpose?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The projects specified are a part of the annual trade fair program carried out by the Department of Industry, Trade and Commerce. This program permits Canadian companies to promote their products and services in foreign markets; appoint representatives and distributors; become aware of the technological progress in their spheres of industrial activity; seek joint ventures abroad; and to assess the competition. The specific purpose and cost of the projects which have been identified in the European Region are as follows:

Project Number	Description	Purpose	Cost
76/676	Information Booth-International Fur Fair, Frankfurt, W. Germany, April 7-11, 1976	To provide a presence for the natural fur suppliers of Canada at the World's foremost fur salon	$8,141
76/975	Children's Book Fair, Bologne, Italy, April 8-11, 1976	To expose European Publishers and distributors to a cross-section of Canadian Children's Books.	$4,800
76/689	Information Booth-Milan Intern. Trade Fair, Milan, Italy, April 14-25, 1976	To provide a commercial presence for the Milan Post at this important regional show.	$3,500
76/690	Information Booth-International Treffpunkt, Hanover, W. Germany, April 28-May, 6, 1976	To establish a meeting area within which various Provincial and industry representatives could discuss industry development and investment opportunities with their European counterparts.	$8,125
76/680	International Household Electronics and Domestic Appliances Exhibition (HEDA), Birmingham, May, 23-27, 1976	To exhibit electrical appliances from Canadian manufacturers at the new National Exhibition Center as a means of establishing export markets for these commodities.	$47,500
76/640	Information Booth-World Railways Engineering Exhibition, Basle, Switzerland, June 1-5, 1976	To provide an institutional representation of Canadian railway equipment and planning capabilities for the leading railway authorities around the world.	$7,345
76/710	Poznań International Trade Fair, Poznan, Poland, June 6-17, 1976	To assist Canadian manufacturers in exposing their products to the Eastern European Market.	$82,494
76/729	Information Booth-International Trade Fair, Plovdiv, Bulgaria September 3-10, 1976	To provide a commercial presence for Canada at the most important trade event in this region.	$9,200*

Project Number	Description	Purpose	Cost
76/976	Frankfurt Book Fair, Frankfurt, W. Germany, September 16-21, 1976	To exhibit Canadian books from 60 suppliers at the most important book fair in the world with a view to direct sales and the establishment of co-edition rights.	$28,200
76/623	Offshore Technology, North Sea Stavanger, Norway, September 21-24, 1976	To assist Canadian suppliers in exhibiting their products to the North Sea Oil Community	$75,826*
76/634	International Automotive Spare Parts and Accessories Exhibition (AUTOMECHANIKA), Frankfurt, W. Germany, September 25-29, 1976	To provide an exhibit of Canadian automotive parts and accessories as a means of penetrating the West European Market.	$87,051*
76/685	In-store promotion C & A Brenninkmeyer Company, Stores, U.K. and Europe, October 1976	To promote the sale of Canadian winter clothing from 122 Canadian suppliers in stores throughout the U.K., Belgium, Holland and West Germany,	$400,000
76/667	International Trade Fair for Components and Production facilities (ELECTRONICA), Munich, Switzerland November 25-December 1, 1976	To assist Canadian electronic components suppliers in establishing agents and promoting their products in Europe	$89,434*
76/726	Mini-Solo Fisheries Products Shows in Stockholm, Copenhagen, Paris and London March 1977	To provide samples of Canadian Fish Foods for a specially, invited group of buyers in each of 4 West European Cities.	$10,000*

It should be noted that the costs marked with an asterisk (*) represent the current estimate for invoices which have not all been received.

1976-77 PROMOTIONAL PROJECT—PACIFIC, ASIA AND AFRICA REGION

Question No. 1,328—**Mr. McKenzie:**

What was the cost of project number (a) 76/633 (May 1976) (b) 76/627 (May 1976) (c) 76/716 (August 1976) (d) 76/697 (September 1976) (e) 76/699 (September 1976) (f) 76/714 (September 1976) (g) 76/981 (September 1976) (h) 76/696 (October 1976) (*i*) 76/694 (October 1976) (j) 76/695 (October 1976) (k) 76/732 (November 1976) of the Pacific, Asia and Africa Division of the Office of Export Programs and Services and, in each case, what was its purpose?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: The projects specified are a part of the annual trade fair program carried out by the Department of Industry, Trade and Commerce. This program permits Canadian companies to promote their products and services in foreign markets; appoint representatives and distributors; become aware of the technological progress in their spheres of industrial activity; seek out joint ventures abroad; and to assess the competition. The specific purpose and cost of the projects which have been identified in the Pacific, Asia and Africa Region are as follows:

Project No.	Description	Purpose	Cost
76/633	Tokyo Auto Services & Equipment Show, May 4-7, 1976	To develop sales of Canadian Automotive Parts and Service Equipment in Japan.	$72,253
76/716	International Trade Fair, Izmir, Turkey, August 20—September 20, 1976	To obtain import quotas for Canadian exporters whose distributors exhibited at the Fair. Turkish Government policy provides a special quota for foreign suppliers who exhibit at the Fair.	$14,659
76/697	Commodity Sample Shows, Sydney and Australia, September 14-16 and 28-30, 1976	To introduce a variety of Canadian manufactured consumer goods to the Australian Market by holding inexpensive shows for specially-invited distributors and agents in the Consulate facilities.	$5,470*
76/696	Algiers International Trade Fair, Algiers, Algeria, October 1-17, 1976	To introduce new Canadian suppliers to this market and to reinforce the impact of previous exhibits at this Fair.	$106,893*
76/694	Baghdad International Trade Fair, Baghdad, Iraq	To provide the Iraqi State Trading Companies with an opportunity to examine Canadian Products and introduce Canadian Companies to this new market.	$122,892*
76/695	Tehran International Trade Fair, Tehran, Iran, October 19—November 1, 1976	To promote a wide variety of Canadian manufactured goods and engineering services from various companies. This was the second consecutive exhibit by Canada in this important Middle-Eastern market.	$147,698*

The following projects have been rescheduled for a later date and have not yet been completed. 76/699 Catalogue Show—Electronics Equipment, Manila, Philippines; 76/714 Catalogue Show—Forestry Equipment and Machinery, Indonesia; 76/732 Catalogue Show—Electrical Equipment., Manila, Philippines. The following projects were cancelled: 76/627 International Food and Fibre Exposition, Pretoria, South Africa; 76/981 Catalogue Show—Automotive Aftermarket Parts, Philippines, Malaysia and Singapore.

It should be noted that the costs marked with an asterisk (*) represent the current estimate for invoices which have not all been received.

1976-77 PROMOTIONAL PROJECTS—WESTERN HEMISPHERE REGION

Question No. 1,374—**Mr. McKenzie:**

What was the cost of project number (a) 76-980 A (April 1976) (b) 76-628 (April 1976) (c) 76-641 (May 1976 (d) 76-629 (May 1976) (e) 76-674 (May 1976) (f) 76-974 (July 1976) (g) 76-655 (August 1976) (h) 76-673 (September 1976) (i) 76-929 (September 1976) (j) 76-630 (September 1976) (k) 76-722 (September 1976) (l) 76-730 (October 1976) (m) 76-701 (October 1976) (n) 76-645 (October 1976) (o) 76-980 B (October 1976) (p) 76-978 (October 1976) (q) 76-892 (October 1976) (r) 76-652 (December 1976) of the Western Hemisphere Division of the Office of Export Programmes and Services and, in each case, what was its purpose?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: The projects specified are a part of the annual trade fair program carried out by the Department of Industry, Trade and Commerce. This program permits Canadian companies to promote their products and services in foreign markets; appoint representatives and distributors; become aware of the technological progress in their spheres of industrial activity; seek out joint ventures abroad; and to assess the competition. The specific purpose and cost of the projects which have been identified in the Western Hemisphere Region are as follows:

Project Number	Description	Purpose	Cost
76/980 A & B	Southern Furniture Mart, High Point, North Carolina, April 22-30, 1976, October 14-22, 1976	To exhibit Canadian manufactured furniture at the major home furniture buyers' market in the U.S.	$47,814
76/628	3-1 Farm Equipment Show, Kansas, April 22-25, 1976	To increase Canadian sales of short-line agricultural machinery by making U.S. agents and buyers aware of Canadian capability.	$61,511
76/641	Society Petroleum Engineering (AIME) Offshore Technology Conference, Houston, Texas, May 3-6, 1976	To increase Canadian penetration of offshore markets around the world by exhibiting Canadian products to the international oil community and the US-based oil field developers.	$115,150
76/629	International Petroleum Exhibition, Tulsa, Oklahoma, May 17-21, 1976	To assist Canadian suppliers of oil field equipment and services in showing their capability to the international oil developers.	$94,173
76/674	National Fancy Food & Confection Show, New York, June 23-27, 1976	To show the products of Canadian suppliers with a view to increasing Canada's share of the U.S. market for specialty foods.	$43,417
76/974	American Library Association Exhibition, Chicago, Illinois, July 18-21, 1976	To provide Canadian authors, publishers, and librarians with an opportunity to make contacts and promote Canadian books in the U.S.	$23,000
76/655	International Livestock Fair, Porto Alegre, Brazil, August 22-30, 1976	To promote Canadian beef and dairy cattle in Brazil and other Latin American countries	$62,000*
76/673	Food Sales Meeting, Philadelphia, September 15, 1976	To expose a specially invited group of U.S. buyers to samples of Canadian Food Products and to give Canadian suppliers an opportunity to establish business relations in the U.S.	$5,000*
76/929	International Woodworking Machinery Show, Louisville, Kentucky, September 18-22, 1976	To exhibit the products of Canadian manufacturers as a means of increasing woodworking machinery and furniture components sales to the U.S.	$99,033*
76/630	Marine Trades Exhibit & Conference, Chicago, Illinois, September 30-October 3, 1976	To present a comprehensive cross-section of Canadian manufactured sail boats, cabin cruisers, houseboats, canoes, pedal boats and related equipment to U.S. marine dealers, distributors and importers.	$110,492*

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Project Number	Description	Purpose	Cost
76/722	Contract Furniture Solo Shows, Minneapolis and St. Louis, September 1976	To show institutional furniture from Canada to a select group of U.S. architects and specifiers.	$13,800
76/701	Food Sales Meeting, Chicago, October 15, 1976	To present samples from Canadian suppliers to a select group of U.S. buyers and distributors from the Chicago Region.	$6,572
76/645	Automotive Parts & Accessories Association Exhibition, Las Vegas, October 19-21, 1976	To introduce U.S. buyers to Canadian capability in supplying the automotive after-market by exhibiting the products of Canadian manufacturers.	$87,862*
76/892	Information Booth—Santiago International Fair—Chile	To provide a commercial presence for Canada at the most important trade fair in Chile.	$1,500
76/652	American Vocational Association Show, Houston, December 3-8, 1976	To show educational equipment from Canadian suppliers to U.S. buyers, distributors and end-users.	$59,519*
76/730	Mino-Solo Fisheries Products, Atlanta, October 12, 1976	To show samples of Canadian fish products to a specially-invited group of U.S. buyers and distributors.	$2,174
Cancelled 76/978	Mini-Solo Apparel Shows, Los Angeles and San Francisco		

* It should be noted that the costs marked with an asterisk (*) represent the current estimate for invoices which have not all been received.

INDUSTRIAL RESEARCH AND DEVELOPMENT INCENTIVES ACT

Question No. 1,387—**Mr. Clarke (Vancouver Quadra):**

1. Since the implementation of the Industrial Research and Development Incentives Act, how many grants have been provided by the Department of Industry, Trade and Commerce in (a) Ontario (b) Quebec (c) the Maritime provinces (d) the Western provinces?

2. In each area, what was the total amount of the grants?

3. In each area, how many of these grants have been (a) under $10,000 (b) $10,000 to $50,000 (c) $100,000 to $1,000,000 (d) over $1,000,000 and over?

4. What percentage of applicants for the grants were rejected in (a) Ontario (b) Quebec (c) the Maritime provinces (d) the Western provinces?

5. What efforts has the government made to inform the business and industrial sectors of Western Canada of the availability of grants under the Industrial Research and Development Incentives Act?

6. How many of the grants provided by the Department of Industry, Trade and Commerce since the beginning of the programme have been advance payments in (a) the Western provinces (b) Ontario (c) Quebec?

7. What is the total amount of the advance payment grants provided in each area?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: 1. Since the implementation of the Industrial Research and Development Incentives Act to September 30, 1976, the number of grants provided by the Department of Industry, Trade and Commerce are: (a) Ontario, 3,731; (b) Quebec, 1,828; (c) The Maritime Provinces, 164; (d) The Western Provinces, 1,446.*

2. The total amounts of the grants are: (a) Ontario, $120,-323,000; (b) Quebec, 82,065,000; (c) The Maritime Provinces, 2,219,000; (d) The Western Provinces, 28,507,000.

3. Stratification by size of grants by regions or provinces are not tabulated.

4. The percentage of applicants rejected by Regions are: (a) Ontario, 6.67 per cent; (b) Quebec, 6.80 per cent; (c) The Maritime Provinces, 12.19 per cent; (d) The Western Provinces, 6.64 per cent.

5. The government has made considerable effort to inform the business and industrial sectors of Western Canada and all other regions of Canada of the availability of grants under the Industrial Research and Development Incentives Act through: (a) News releases at the start of the program; (b) Mailings of literature on the program by Statistics Canada (formely DSB) to all companies reporting research and development activities; (c) Articles in newspapers and magazines whenever possible; (d) Dissemination of information on the program to: Trade and Manufacturing Associations, Chartered Accountant Firms, Business Consultants; (e) Organized seminars in conjunction with Federal, Provincial, and other independent agencies; (f) Dissemination of information through IT&C Regional Offices and representatives; (g) Discussion with corporate representatives when monitoring other IT&C incentive programs.

6. The number of advance payments provided since the beginning of the program are: (a) The Western Provinces, 83; (b) Ontario, 372; (c) Quebec, 203.

7. The total amounts of the advance payments provided in each area are: (a) The Western Provinces, $4,915,850; (b) Ontario, $39,008,352; (c) Quebec, $30,331,075.

*NOTE: The provincial data shown is based on the mailing address of the corporate headquarters of the applicant and may not necessarily represent the region in which the research and development work was carried out or exploited in production.

APPLICATION BY BRITISH AMERICAN TOBACCO COMPANY RELATING TO PURCHASE OF THE GRISSOL COMPANY

Question No. 1,390—**Mr. Lambert (Bellechasse):**

Was an application filed under the Foreign Investment Review Act with the Department of Industry, Trade and Commerce by the British-American Tobacco Company with regard to the purchase by the company of the Grissol

Company, which manufactures Viau biscuits and candies and, if so (a) have the provisions of the Act been applied or will they be applied (b) if the application was accepted, on what date did the Minister approve the transaction?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Foreign Investment Review Agency is concerned: Imasco Limited, a subsidiary of British American Tobacco Company, acquired control of Grissol Foods Limited in May 1972. As the provisions of the Foreign Investment Review Act pertaining to the acquisition of control of Canadian business enterprises by non-residents did not come into force until April 9, 1974, and as they did not apply retroactively, the above noted acquisition was not subject to review under the Foreign Investment Review Act.

[*English*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed, from Thursday, February 3, consideration in committee of Bill C-22, to amend the statute law relating to income tax—Mr. Macdonald (Rosedale)—Mr. Turner in the chair.

The Deputy Chairman: Order, please. When the committee rose last evening, clause 24 was under consideration. Shall the clause carry?

Mr. Macdonald (Rosedale): There have been some discussions about five amendments which the government would like to put forward to take account of representations received with regard to the bill. I believe there was agreement that we might for the moment stand clause 24 and the intervening clauses so that I might have an opportunity of moving those amendments. After that, we would come back to clause 24 and continue the debate.

The Deputy Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): The first of the amendments has to do with clause 31(1). My colleague, the Minister of Regional Economic Expansion, has been kind enough to offer to move it on my behalf.

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Chairman, I move:

That Bill C-22 be amended by adding thereto immediately after line 12 on page 33 the following clause:

31.1 (1) Paragraph 82(1)(b) of the said Act is repealed and the following substituted therefor:

"(b) where the taxpayer is an individual, other than a trust which is a registered charity, ½ of the aggregate of all amounts described in paragraph (a) received by him in the year from taxable Canadian corporations".

(2) This section is applicable to the 1977 and subsequent taxation years.

Mr. Chairman, the amendment is in both official languages.

[*English*]

Mr. Macdonald (Rosedale): Perhaps we might move on, pursuant to the special agreement, to clause 71. The Minister of Regional Economic Expansion has been showing equal enthusiasm about this amendment, and he would like to move it as well.

Mr. Lessard: My hon. friend knows I am always happy to support him when he is presenting proposals which are in the interests of this country.

[*Translation*]

Mr. Chairman, I move that Bill C-22 be amended as follows:

(a) by adding thereto immediately after line 13 on page 94, the following subsection:

"7.1) Paragraph 212(14)(c) of the said Act is repealed and the following substituted therefor:

"(c) he is

(i) a person who is or would be, if he were resident in Canada, exempt from tax under section 149,

(ii) a trust or corporation established or incorporated principally in connection with, or the principal purposes of which is to administer or provided benefits under, one or more superannuation, pension or retirement funds or plans or any funds or plans established to provide employee benefits, or

(iii) a trust, corporation or other organization constituted and operated exclusively for charitable purposes, no part of the income of which is payable to, or is otherwise available for, the personal benefit of any proprietor, member, shareholder, trustee or settler thereof.";

and

(b) by adding thereto immediately after line 26 on page 94, the following subsection:

"(13) Subsection (7.1) is applicable to the 1977 and subsequent taxation years."

Mr. Chairman, I move that Bill C-22 be amended by striking out lines 45 and 46 on page 97 and lines 1 to 15 on page 98 and substituting the following:

"(4) Clauses 219(7)(c)(iii)(A) and (B) of the said Act are repealed and the following substituted therefor:

"(A) where the owner is a life insurer resident in Canada, the maximum value thereof as determined for the purposes of the relevant authority, and

(B) in any other case, the maximum value thereof as it would be determined for the purposes of the relevant authority if the owner had been a life insurer resident in Canada and registered under the Canadian and British Insurance Companies Act to carry on an insurance business in Canada."

(a) by striking out line 1 on page 101 and substituting the following:

"80. (1) Section 26 of the said Rules is amended by adding thereto, immediately after subsection (8.2) thereof, the following subsection:

"(8.3) Where a corporation resident in Canada has, after 1971, received a stock dividend in respect of a share owned by it on December 31, 1971 of the capital stock of a foreign affiliate of that corporation and the share or shares received as the stock dividend are identical to the share in respect of which the stock dividend was received, the share or shares received as such stock dividend may, at the option of the corporation, be deemed for the purposes of paragraph (3)(c) and subsection (8) to be capital property owned by it on December 31, 1971 and not to be property acquired by the corporation after 1971 for the purposes of paragraph (8)(c)."

(1.1) Paragraph 26(12)(d) of the " ; and

(b) by striking out lines 35 and 36 on page 101 and substituting the following:

"(4) Subsections (1) and (3) are applicable to the 1972 and subsequent taxation years."

● (1240)

[*English*]

The Deputy Chairman: If I may suggest to members of the committee, shall we adopt these amendments as we go along?

Mr. Knowles (Winnipeg North Centre): No, just put them on the record.

[*Translation*]

Mr. Lessard: Mr. Chairman, I move that Bill C-22 be amended by striking out Item 2, on page 111 and substituting the following:

The expression "registered charity" shall be substituted for the expression "registered Canadian charitable organization" wherever the latter expression appears in subclause 56(1)(a)(i)(C)(I), subparagraph 81(1)(j)(i), paragraphs 104(15)(b) and (c), paragraph 110(1)(a), subsections 110(3), 168(1) and (2), paragraphs 172(3)(a), 172(4)(a) and 180(1)(b) and subsection 230(2)."

[*English*]

That makes it more clear, more precise.

Mr. Lambert (Edmonton West): Mr. Chairman, I rise on a point of order. Would the minister advise whether he has withdrawn what had been suggested as an amendment to clause 40 in a group of amendments given to me late in November?

Mr. Macdonald (Rosedale): Yes, Mr. Chairman. My understanding is that the clause 40 amendment is of such a character that it could be amended by the table in the course of reprinting the bill. On the basis of that advice, I have withdrawn the amendment.

Mr. Lambert (Edmonton West): Secondly, Mr. Chairman, I am subject to correction here, but I think the minister's colleague may have inadvertently left out a whole line in his reading of the French version of the clause 80 amendment at page 101. So whilst the amendment was noted, I think there may be a difference between the manuscript copy of the amendment and that which might appear in *Hansard*. It refers to subsection 1.1, paragraph 26(12)(d), which is the final line of the amendment, and I do not think it was read.

[Mr. Lessard.]

Mr. Lessard: Mr. Chairman, I suggest I would have read that amendment if I had seen it. I think I did read it.

Mr. Saltsman: Mr. Chairman, in view of the agreement of the House to take a look at these amendments, which might not have reached your attention because of the imposition of closure, I should like to bring a matter to the minister's attention in the line of an amendment. We may not reach the section because of closure, but it seems to me to be a very important matter. The minister may have been considering an amendment along this line, in which case I should like to bring the matter to his attention now and find out what his plans are.

What I am referring to is a practice that seems to be a racket which has developed with registered retirement savings plans. A spouse goes to a financial institution and deposits an amount of money, which could be $1,000, $2,000 or, when the bill passes, a larger amount. The spouse for whom the money is deposited has no taxable income. Then the next day the spouse who does have taxable income withdraws the amount of money that was placed in the financial institution, pays a nominal administration fee for having taken out a registered retirement savings plan, which can be with a trust company or other financial institution, and then is able to use it to lessen their income tax liability.

I understand this matter has been brought to the attention of the finance department and is being reviewed. Therefore, I ask the minister whether the matter has been brought to his attention and whether it is possible under the act for someone to behave in this way. If so, does he intend to move an amendment to close this loophole and prevent this kind of rip-off from taking place? If I have not made myself clear, I would be very happy to repeat this procedure which has been brought to my attention.

Mr. Macdonald (Rosedale): Mr. Chairman, I can advise the hon. member that the matter is under consideration. I am not sure that the consideration is mature enough that we have an amendment to move at this point, but it is a question we are taking into consideration for the next budget in several months' time.

The Deputy Chairman: Order. We understand at the table that clauses 24 to 30 were stood. Is that correct?

Mr. Lambert (Edmonton West): Only for the purpose of putting amendments.

Mr. Macdonald (Rosedale): As I understood it, Mr. Chairman, the intervening clauses were stood for the purpose of my putting the amendments. We have now returned to clause 24.

● (1250)

On clause 24.

Mr. Saltsman: Mr. Chairman, may I continue with this matter? I beg your indulgence and the indulgence of the committee in this regard for the same reason we accorded the courtesy to the minister to allow him to place his amendments.

I think this is a terribly important matter which needs to be cleared up, and since it relates to amendments generally the committee has been disposed to standing certain things in order to deal with possible amendments before it. I would like to take up this matter until we can get some kind of answer from the minister, because it seems to me that this is an incredible kind of loophole and that people will be able to indulge in an incredible racket if in fact it is so.

It seems that the minister has implied in his statements that in fact some people can work a racket under the income tax law because of the way it is written now. This is what I want to know from the minister. Is it taking place, and, if so, I think the House needs some assurance that this will not be dealt with in the next budget but will be dealt with right now. I raise it today because we still have an hour or so to debate this matter on Monday. Over the weekend the minister and his officials could glance at the appropriate clauses and draft an amendment.

We could stand the debate at a certain point on Monday and have this amendment introduced. Since the House has been disposed to go along with this procedure, we could close this loophole. Aside from the general objections we have been raising to the disproportionate benefits that the wealthy are getting from this bill, to allow them this kind of loophole and to allow them to work this kind of racket compounds the injustice. I think we really need some kind of answer from the minister.

Mr. Macdonald (Rosedale): Mr. Chairman, the assessment that I have received of the situation is that if such a procedure is possible—and I gather from conversations with Revenue Canada that they are not totally satisfied that it can be done from a legal standpoint—the possible exposure of the fiscal authorities in this particular situation is quite limited. So there are really two elements to be considered: the first is that some question has been raised as to whether this can be done legally, and the second is the more practical consideration that if it can, how much is involved in terms of the tax laws? On the other hand, the problem which has arisen is to resolve the kind of question the hon. member raised, that is, to find some effective means of dealing with the situation if there is any loophole in that regard. The judgment in this regard has not yet matured, but the feeling is that the risk involved is not substantial.

Mr. Saltsman: Mr. Chairman, certainly the minister's answer cannot be acceptable. His argument is that they are not quite sure whether or not it is legal. In fact, people are doing it and are assuming it is legal. They are getting advice to do it, and trust companies are going along with it. Obviously, they have had a look at the legal implications. The fact that relatively few people are doing it and, therefore, because there is not that much of a loss to the treasury, it should be overlooked, seems a pretty shaky argument for the Minister of Finance to make.

As to the remedy, I do not pose as an expert in drafting legislation. Certainly, one of the things that could be done to close this loophole is to say that these registered retirement savings plans have to be held for a specific period of time in order to avoid this one day in, the next day out, practice to get the benefit. Who is going to do it? It certainly will not be my steelworker who will do it. The guy who will do it is one who can get good tax lawyers and accountants to give him advice on how it can be worked. People in the highest income tax brackets will take advantage of the situation.

Mr. Lambert (Edmonton West): Don't kid yourself; it is practised by others, too.

Mr. Saltsman: I am glad it is now being confirmed by the hon. member for Edmonton West. I do not really pay too much attention to what the minister's advisers tell me, competent as they are, but when the hon. member for Edmonton West intervenes to tell me that it is so, I take it as being so.

Mr. Lambert (Edmonton West): Loopholes are not only for the wealthiest taxpayers. If there is one, it is used by others.

Mr. Saltsman: If a poor man had $11,000 worth of savings with which he could move through these loopholes, I would accept it. But I do not care whether it is the poor or the rich who use it: it is wrong to have this kind of loophole; and to say it does not cost the treasury a great deal is wrong. This is a racket, and I think it is our obligation to make sure that a loophole that permits this kind of racket is stopped before this bill goes through. I think the minister should give the House some assurance that he will do something about it.

Mr. Macdonald (Rosedale): The comment I just made is that I think the hon. gentleman is exaggerating the problem. He says he knows lots of people who are doing it. There are lots of people who may be going ahead and doing other things under the tax law, but they wind up having themselves reassessed. So the fact that someone makes a mistake in his judgment of the tax law may involve him in due course in the payment of more tax. As I have said, the question has been recognized. There has been some discussion as to whether or not the advice which private parties have been taking is well given. The hon. gentleman suggests there would be a massive leak from Revenue Canada in this regard. Certainly that is not the feeling held by my advisers.

Mr. Saltsman: I rise on another point of order, Mr. Chairman. I did not suggest for one moment that there is a massive attack on the treasury. I accepted the minister's statement that while this may not constitute a very large loss to the treasury, that was not my point. My point was that it was dishonest and a loophole. Despite the assurance of the minister that it would not cost the treasury very much, it is a bad thing for the government to allow. This was the point I was making. I would like a statement from the minister at least to that extent. He says that they are liable to find themselves in trouble if they take this advice. Is there anything in this legislation which makes illegal the kind of practice I brought to the attention of the minister?

Mr. Macdonald (Rosedale): That is the question I asked of Revenue Canada, and it is apparently their opinion that it is illegal.

Mr. Roy (Timmins): In view of the short time that is left, Mr. Chairman, I wonder if I may call it one o'clock?

The Deputy Chairman: It being 1 p.m., I do now leave the chair until 2 p.m.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

The Chairman: Order, please. When the committee rose at one o'clock, clause 24 was under consideration, and the hon. member for Timmins had the floor.

On clause 24.

Mr. Roy (Timmins): Mr. Chairman, after I read clause 24 of Bill C-22 I requested some explanations from the minister's officials with regard to the meaning of the clause and its implications. I wonder if the minister could enlarge on those explanations today so that the matter can be clear in my mind. The officials of the minister's department indicated to me that this clause is to allow all taxpayers to deduct in the year in which they are incurred 100 per cent of their exploration expenses.

In a subsequent paragraph in the letter I received from the officials the only thing that is mentioned with regard to the Canadian development expense account is the acquisition of Canadian resource property. I would like the minister to confirm that both the acquisition of a property and the additional exploration expenses which are added to that acquisition go to what is called the Canadian development expense account in order to establish the value of that property or the cost of that property to the investor.

Second, I would like the minister to confirm that the exploration expenses are treated as an income allowance rather than as a revenue allowance and therefore are not recoverable on the disposal of the property, like depreciation or capital cost allowances. In other words, normally when a piece of equipment or property is sold, the capital cost allowance is recoverable by the government or the tax system. I would like to confirm that this is not so with regard to the exploration expenses which are added to the acquisition of a property.

Finally, at the time of disposal of a property, I would like to know whether the difference between the income from the property and the cost which has been entered in the Canadian development expense account is the profit, and I would like to have the minister confirm whether that profit is considered as a capital gain or as normal income. I hope it would be a capital gain, because I think there is justification for it. If it is normal income, I would like the minister to confirm whether there is not justification for differentiating between the source of that income, whether it is a normal development corporation, whether the main business of the corporation involved is exploration and development, or what have you. I think there should be a difference if the investment is simply an incidental one, if it involves just a small individual or a small corporation which has invested in the acquisition and development of such a property, and if it is not its normal business and it is just to help in the development of resources in Canada.

The law as it presently stands indicates that if payment for a mineral property, for instance, is made in shares, that is considered a capital gain; but if payment is made in cash, it is considered normal income. I suggest that there is some confusion there. I placed this matter before the former minister. It was my view that the designation of revenues as capital gains or normal income should not be determined by the source or the kind of payment—whether it be shares or cash—but rather by the type of transaction. I put this to the former minister. I should now like to put it to the hon. minister opposite and urge him to consider that the revenue derived from the sale of property should not be determined by whether it is shares or cash but, rather, by the type of transaction.

• (1410)

Mr. Macdonald (Rosedale): Mr. Chairman, on the first question raised by the hon. member, I can confirm that in our judgment both the acquisition cost of additional exploration and development expenses would be deductible for the purpose of this exemption. On the third question, my understanding is—and this is from the application of the law under the principal business exception—that this in the normal course will be treated as normal income rather than capital gain. On the second question, I just cannot remember offhand whether there is a recapture upon disposal or not. I am afraid the best I can do is undertake to make an inquiry and respond further. I cannot give a tax opinion this afternoon, but if the hon. member wants to make a representation on the point I shall be glad to hear it.

Mr. Roy (Timmins): Mr. Chairman, if I may, I again make a small plea to the minister with regard to capital gains. If the property registered in the Canadian development expense account is sold, under the present laws the revenue derived therefrom, if paid in shares, would become capital gains, so there is a difference there that presents some confusion. Maybe the minister could look into this matter at the same time and see if the confusion could be cleared up.

Mr. Macdonald (Rosedale): I am quite prepared to do so, Mr. Speaker.

Mr. Lambert (Edmonton West): Mr. Chairman, I should like to say that I am glad, generally, to see clauses 24, 25 and 26 because they are aiming at removal of the principal occupation rule. It was rather interesting yesterday evening to hear the hon. member for Sault Ste. Marie engage in a full-scale attack upon Imperial Oil. As it is a principal occupation business corporation, I suggest the whole exercise of his speech

was totally irrelevant and had no application whatsoever to this proposal in the Income Tax Act.

It is rather interesting that we are celebrating this month the thirtieth anniversary of the discovery of LeDuc No. 1 which opened up the Alberta oil development industry. It is unfortunate that at that time and up to now the principal occupation rule had any place in the Income Tax Act. I recall a period of ten years when there was still room for the small-time operators and people who were in the oil development business to acquire freehold leases or overrides on the royalties, that it was always guaranteed that in about 80 per cent of the cases Canadians were outbid by Americans. Leasehounds and agents of American investors were in on the oil patch like flies around a honey-pot. That was to be expected. After all, there was no expertise in Canada for the development of oil fields. The drillers, equipment dealers and those with any knowledge of developing oil came from the United States in the same way they moved from Canada elsewhere when the oil play was over in the prairies.

One of the difficulties was that, say, a Canadian syndicate wanted to drill a D-2 well which would require $70,000 to $85,000: it could be made up of a couple of farmers, a garage owner, a druggist, a doctor, or whoever wanted to get together in a partnership and put up $10,000 or $15,000. Unfortunately, oil well drilling is a highly speculative business. Three holes out of four holes drilled could be dry. Up to a few years ago the law has consistently been that the recovery of drilling expenses could only be made against the revenue of any producing wells. If there were no producing wells, the money was gone.

Of course, dry wells took up as much money as producing wells. Our American friends, under American law, could offset their lost drilling expenses against ordinary income and therefore recover and recycle into what you might call exploratory working capital the allowances that they could make against ordinary income. Many persons, including myself, tried to convince the Canadian government to do this through ministers of finance and their advisers who unfortunately had a "made in central Canada" bent of mind and did not understand the oil business and rejected these proposals year in and year out.

A few years ago, in a two-step operation, up to 30 per cent was allowed and now the minister proposes to increase that to 100 per cent. I want to congratulate the minister and his officials on this. Maybe the fact that there is now a deputy minister who worked a long time in Saskatchewan helped in this regard. In any case, I commend the government even though it is pretty well locking the stable door after all but the last horse has been stolen.

I should now like to hear from the minister whether clauses 24 and 25 will effectively allow an individual or corporation who is not in the petroleum development business to write off 100 per cent of its contributions to exploration and development against income other than that arising out of the production of oil and gas. Or is there some residual formula which would phase it out over a number of years?

• (1420)

Mr. Macdonald (Rosedale): Mr. Chairman, the amendment is only applicable for a trial period. That is, it will apply to investments made during the trial period. Otherwise, a taxpayer in that situation will be treated in exactly the same way as a principal business taxpayer in the sense that he can apply this expenditure entirely to income.

Mr. Lambert (Edmonton West): Mr. Chairman, am I correct in assuming that the trial period is to run for three years?

Mr. Macdonald (Rosedale): Mr. Chairman, yes, up to July, 1979. It started last May.

Mr. Lambert (Edmonton West): May I ask another question about the trial period, Mr. Chairman? Does the minister envisage a continuing review, because once we reach the last year of the trial period there could be great uncertainty as to whether it will be continued, and that uncertainty, quite naturally, would inhibit future development plans?

Mr. Macdonald (Rosedale): Mr. Chairman, I recognize that. The trial period has been instituted really for the purpose of seeing how effective we shall be in attracting exploration. We are having some early success and there is some indication already that funds are being used in this way. We shall want to overcome the potential hiatus which could occur as we approach the anniversary date.

Mr. Lambert (Edmonton West): Thank you, sir.

Mr. Ritchie: Mr. Chairman, the present measure is an about-face on the part of the government. Over the years, at least ever since I have been a member of this House, the government has been most reluctant to make available to the oil, gas and mining industries the benefit of the principal income clause. I remember many years ago being asked to invest in an oil well. At that time I did not have any money, but two or three years later I asked if I could invest because I was interested in an investment which I considered about as safe as a horse race. The person who had earlier asked me to invest had drilled some oil wells himself. He said that there was no money in oil, that the government had enacted a certain law with regard to principal income, and there was not much point in investing in an Alberta oil well. Actually, I was interested in an oil well in the Lloydminster field. A few years ago the then minister of finance—Mr. Benson I think—amended the tax act and allowed deductions of up to 30 per cent. At least that was a good start. But you had to wait for about five years before you got your money back if you invested in certain resource industries.

Without doubt, the existence of the particular section of the act we are now discussing is largely responsible for the predominant American ownership of the oil industry in western Canada. Unless that law is changed, the outlook for oil and gas drilling in this country will not be good. At least it will not be easy for individuals to become part owners of oil wells. Unfortunately, Canadian oil, gas and mining industries are not doing as well as they should. I understand that for the first

time in many years, this year no new mine has been opened in Ontario. In northern Manitoba a good many mines have closed or are closing, and activity is at a low level. I understand that only one diamond drilling outfit is operating in northern Manitoba, whereas normally you would see between 30 and 40 operating there. Companies in this field seem to have moved their operations across the border. One cannot blame the federal government entirely for this, although to some extent the controversy between the provincial and federal governments has led to the slowdown in investment in our oil, gas and mining industries.

We have often been told that we must spend a great deal of money if we are to be self-reliant in energy. One hears talk of self-reliance in the mining field by 1985 or some time in the future. I shall make two or three points and then sit down. I was much taken by something the Canada West Foundation in Calgary said recently. It had some things to say about the implementation of guidelines for national resource policies which should be established for the country's long-term interest. For example, it was proposed that the general structure and basic level of taxes imposed on the non-renewable resource sector should be reassessed by provincial and federal governments acting together. It was also proposed that a single definition of resource income directly related to ability to pay and mutually acceptable to federal and provincial governments should serve as a basis for all income-related taxes.

Mr. Chairman, federal and provincial people are still not sitting down with a clearcut policy in mind. They are still confronting one another, and confrontation is hardly in the national interest. Although certain amendments to the tax act are welcome, I suggest that until the federal and provincial governments decide on a single, reasonable, uniform taxation policy with regard to our resources, we shall not advance much.

Mr. Saltsman: Mr. Chairman, I listened to the hon. member for Edmonton West and was struck by how we can look at the same set of facts and come to different conclusions about them. The act we are discussing has been in existence for a long time. I suspect that it would not be quite the same as it now is if the hon. member for Edmonton West and I had not served in this House at the same time.

I want to talk about the oil industry and raise some questions. The government is introducing measures similar to those which were discredited in the past. Essentially, the government's measures are designed to encourage, by the provision of depletion allowances and write-offs of various kinds, excessive exploration and overinvestment in the oil industry. We are going to wind up being back in our old position, although under somewhat different circumstances.

The hon. member for Edmonton West drew on his profound experience and knowledge of the oil industry and said that the United States has offered many advantages to its investors which our country has not offered our investors. That is only half the story. At one time we offered as many advantages to investors within the industry as the United States has been offering.

[Mr. Ritchie.]

Mr. Lambert (Edmonton West): Not at all.

Mr. Saltsman: The truth is that the advantages the United States has offered its investors has been an ongoing scandal in that country and members of Congress and the United States Senate have continually risen to denounce the concessions made over the years to the oil industry.

Let us consider what has happened to the oil industry in Canada. What has been the result of concessions which the Alberta government and other governments have given to the oil industry in order to encourage it to look for oil? The conclusion we must come to from an examination of the figures is that we so stimulated the oil industry to produce that we had oil coming out of our ears. We literally gave it away because we could not do anything else with it. We had to give it away. Then, when we needed the oil, we did not have it.

Let us consider how we have encouraged exploration in Canada. What has been the history of exploration? We encouraged exploration and drilling so much, particularly in Alberta, that we produced a glut of oil. We could not use for ourselves all our own oil coming out of our wells; ultimately, we prorated the production of those wells. Wells were forced to operate at between 30 per cent and 35 per cent of capacity because we could not use all our own oil. There was no market for it. What did we do? We said we must export our oil. We pleaded with the United States to take it. Our National Energy Board, acting under our national oil policy, allowed us to sell oil to the United States at between $1.50 and $2 per barrel. Nobody had any conception that this is a finite resource, that there is just so much oil in the ground and when it is gone it is gone. We did that for about ten years, only to discover to our horror that all the information on proven and potential resources that had been given to us by the oil companies was just a pack of lies. It was not true. We found ourselves in a crisis.

● (1430)

When the OPEC countries decided to raise their price and put the squeeze on Canada, we were vulnerable. That is what stimulation through taxation in the oil industry did for us. It left us exposed. It encouraged an overproduction of a commodity that would have been better left in the ground until needed in the future. We need it today and we will need it in the future.

I see the same situation with regard to this method. There is no future. We cannot solve future energy problems by pulling the oil out as rapidly as possible. As a matter of fact, it would probably be most useful if we left the oil in the ground and used it for petrochemicals in the future, rather than burning it now in our furnaces and refineries.

We are kidding ourselves. How long will the oil last? Supposing we do find some—how much will it be? We have already taken most of it out of the ground. It is very difficult to find, and what we do find is in small amounts. However, we go ahead with the same kind of pattern that created disaster for us in the past and will lead to disaster in the future. When

the time comes when it will be needed for the petrochemical industry in Alberta, it will not be there. Alberta is doing very well today. I am pleased that it is doing well. However, the people of Alberta know they are dealing with a finite resource. They know they have to husband that resource in a particular way in order to have a prolonged and ongoing industry, particularly in petrochemicals.

What do we do? We tell the oil companies to go there, find the oil, use it and get rid of it as quickly as they can. What shortsightedness; what foolishness! Rather than encouraging the finding and production of this resource, we should be discouraging it in order to save it for the future. Future generations will look upon us as having been the most stupid people on the face of the earth because of what we are doing with our resources. It took billions and billions of years for that small amount of oil to be produced and settle itself in pools in the ground. We have taken only one generation, two at the most, to deplete that resource of billions of years, leaving virtually nothing for future generations. It is tax measures of this kind which have assisted this despoiling of our resources.

Going back to the situation in Alberta, I ask the hon. member for Edmonton West whether, in retrospect, it would not have been better to provide less encouragement to production in those early years. The production was going to take place anyway. Suppose we had not produced that oil as quickly as we did. We would not have had to export it. We would not have had to look for markets outside our own country. We would have had a supply of oil for the future infinitely greater and more valuable today, instead of giving it away for what we did. It was a foolish policy.

How did the hon. member for Edmonton West view that kind of approach? I am sure there are many people in his province of Alberta who see the folly of that kind of policy. I am sure they would have preferred a gradual development based on Canada's needs, rather than based on investors pulling out as much as they could in order to make a fast buck. I see the hon. member for Edmonton West shakes his head. After that lesson, has he not learned anything about the use of resources? I see he wants to rise and reply. I am quite prepared to yield the floor to the hon. member for Edmonton West, if he wishes.

Mr. Lambert (Edmonton West): Mr. Chairman, I will make a short comment. This is not a debate on oil development policy. As a quick observation, I will say that hindsight sometimes is a very cheap commodity and the conclusions based upon it are just as valuable.

Mr. Saltsman: I agree that it is very easy to have hindsight and to come to some conclusion about hindsight. The point I am trying to make to the hon. member for Edmonton West and, hopefully, to the hon. minister is, let us not repeat the same mistake. In those days, the same sense of urgency arose and the same speeches were made. We had to bonus the investor to explore and produce oil, thinking that today was the only framework in which we were to operate, that there was not going to be a tomorrow. That is the point I am trying to make. Let us not repeat the same stupid error we committed in the oil industry in the past.

This is a bad piece of legislation, one that I personally am not prepared to vote for. What would we accomplish doing this? We would probably make some people very rich. We would allow them to shelter a lot of their tax through exploration. I could perhaps even go along with that, if it were the only way of doing it. I do not say that I would like it, but if there was a compelling need, we had to have the oil immediately, and something would happen if we did not, and that the oil today would be more important now than in the future, we would have to cut some corners. If we had to drop some equity in our tax system to accomplish that, I could understand it. I may not like it, but I could understand it.

However, when we drop equity and provide an enormous bonus to the wealthy of Canada to find a tax shelter through exploration, damaging the country at the same time by their activities, that is an outstanding example of insanity. Let me read to the committee what has been said about this situation. I quote from the *Financial Times* of November 8, 1976. The article talks about units sold by Midland Doherty Limited acting as agent for Ranchmens:

> Minimum subscription is $10,000 with increments of $5,000. The issue and its pricing is deliberately designed to appeal to investors in 50 per cent and up tax brackets.

That is who it is designed for. I am sure the hon. member for Edmonton West will not repeat his speech of the other day and say that this is something for the little man. It is obvious that those who stand to benefit most from this kind of investment are those who have tax liabilities and cannot find loopholes. Therefore, the government has opened up a new one for them. They can invest in the oil exploration industry and write off the total cost of their investment in oil exploration and production against their tax liability. Later they will come back here to us or other legislators who may be around and use what they got for nothing from tax money as a cost basis for determining what they should get for oil. In other words, the oil companies will do as they are doing now. They will say they need more money because it costs so much to produce oil. They will not say that what they are claiming as costs were in fact depreciation and depletion allowances which were bonuses from the various levels of government. They do not pay for them. It is money saved in the tax system.

● (1440)

At some point I should like to ask the minister whether these benefits which are being given to investors in the oil industry will some day form a cost basis for them, whether that will be recognized as a cost basis despite the fact that the money really came through a savings in the tax system—not all the money, but a substantial part of it: for instance, if taxpayers are in the 50 per cent tax bracket and they invest $100 in the oil industry, then they have invested $50 and the government has invested $50 and it is an investment on the part of the government, because it is not as though the government had no alternative, the government could collect the tax from people in the 50 per cent bracket and divert it to

Petro-Can. We can do our own financing. We can do our own exploration. After all, I presume that was what Petro-Can was set up for. Petro-Can is capable of doing it. If it is not capable of doing so, it can certainly be the entrepreneur. It can hire drillers in the same way as somebody in Texas can hire drillers, or somebody from Bay Street, Toronto.

So it is really being done with our money, and later on they will not come back and say the cost basis upon which we think the oil should be priced is 50-cent dollars. They will say it is $1 dollars and they will want a return on that amount even though half the risk and half the investment came from the people of Canada.

The point to make about depriving the federal treasury of revenue at this level is that there is no such thing as income tax avoidance. The extent to which one group of people does not pay the tax it should means that another group of Canadians has to make up for it. So the oil investment bonanza becomes a burden to the small taxpayers.

Hon. members in the Conservative party will say," It doesn't have to be that way; we can reduce government expenditures instead." Well, of course, we could reduce old age pensions and family allowances and achieve the same result, but I am sure that is not what we want to do, and that is not going to happen because the people are not going to let it happen. But this kind of thing does happen because it is not highly visible, it is not obvious; it gets buried in the tax system, this great subsidy to the rich of Canada, and the subsidy which is paid to them has to be made up by the smaller taxpayers.

Let me continue by quoting from an article by Jack McArthur which appeared in the Toronto *Star* of December 16, 1976:

> When you fear for Canada's future and wish you had less money tied up in Quebec ... when profits have gone flat in the manufacturing of cigarettes, booze, beer and a dozen other products ... when big Government and its confusing controls seem to make life hardly worth living ... when those worries are jabbing at the old ulcer, you go looking for oil and natural gas in Western Canada.

This article was written with reference to the amendment before us now. The writer concludes by saying:

> Some of the enthusiasm in Canada stems from last May's federal budget.
>
> Finance minister Donald Macdonald had a carrot for those whose main businesses are not in natural resources. For three years, they would be able to write off immediately for tax purposes the costs of looking for resources. This deduction reduces taxes on their other activities. Ottawa's idea was clear. It wanted more money looking for oil and gas and was prepared to give tax-breaks to get it.
>
> With so many reasons for investing in exploration and production, it's no wonder the Toronto Stock Exchange index of prices of western oil shares has jumped almost 10 per cent since mid-November.

I don't know what it would take to arouse this committee, to make it see that we are repeating a mistake of the past by providing tax benefits of this kind in connection with exploration for oil. If there were a possibility that exploration for oil would enable us to meet the projected energy needs of the future for any substantial period in the future, it could be understood, but all we are looking at is, at best, a short period of relief. The real solution for the future is conservation, as the minister himself pointed out when he was minister of energy, mines and resources. The logic he displayed as minister of energy, mines and resources is being confounded by what he is doing today as Minister of Finance.

The Chairman: Shall the clause carry?

Mr. Saltsman: I should like to put to the minister the questions to which I alluded in my remarks. Would he give us an explanation of the clause which states that the various benefits received from governments, forgivable loans, deductions from royalties, investment allowance, and so on, will not reduce the amount people will be able to deduct under this clause? That is how I read it; they can receive all those other benefits without having this kind of allowance reduced.

Mr. Macdonald (Rosedale): Yes, Mr. Chairman, in the situation in which a provincial government has taken steps to provide that kind of incentive, it would seem to be perverse to treat it adversely from a federal taxation standpoint.

Mr. Saltsman: So this particular arrangement, if a person is in the 50 per cent tax bracket, means that 50 per cent of the money he is investing comes from the federal government, and if provincial governments allow them another set of money it is theoretically possible that if a person plays very cagily and gets different concessions he could be working almost totally with government money in terms of the development of this industry. I see the minister does not want to deal with that aspect as a theoretical proposition.

Mr. Macdonald (Rosedale): One way or other, the fellow will incur expenses. Since he is not paying a 100 per cent tax rate it is not clear to me how he can get all those expenses back. It certainly will reduce his tax liability, but I do not quite follow the mathematics.

Mr. Saltsman: Well, you are providing him basically with free capital, 50 per cent under this provision. If he is in the 50 per cent tax bracket, for every $100 he invests he only puts up $50 of his own money; the extra $50 is money he has saved in terms of his tax liability. In other words, his own capital is only half of what it would otherwise be for investment purposes. What would be his cost base later on? Let us suppose the AIB continues. Will it be the money he put in? I do not see how it can be. So will it be the total amount put in?

Mr. Macdonald (Rosedale): His cost base will be his expenditure, but for ultimate purposes the amount of his expenses will be deducted.

Mr. Smith (Churchill): Mr. Chairman, I should like to direct the minister's attention to what has happened in northern Manitoba as far as exploration goes. At the present time, mining is our main industry but there is literally no exploration going on in northern Manitoba. I can remember a time when there were up to 28 diamond drilling rigs engaged in exploration work in the north. It seems to me that as the federal government and provincial governments try to get more and more tax dollars out of the industry, the industry becomes increasingly less inclined to undertake the risk of

engaging in exploration work. They question whether it will bring sufficient return to their investors or shareholders.

● (1450)

The province of Manitoba is paying 50 per cent of the cost of exploration. However, it does not have many takers at this time, for the simple reason that the industry, knowing very well how governments operate, realizes that there is going to be nothing left for the industry if any finds are made. In the province of Manitoba $1 million has been spent on exploration so far, and I do not think that even the crews have gone out into the bush to this point. So I think we have to be very careful, if we do want to encourage development, that we do not tax industry to death before it ever gets started.

The Minister of Energy, Mines and Resources said when he went to the United States last week that our future is in the untapped resources of the north. Unless government is prepared to take the same kind of risk that industry takes in the field of exploration, then the government had better take over all the exploration work in the area. This is what the province is trying to do and it is just not working out.

Industry itself is not expanding in the north but is simply mining what it has found to date. Exploration is moth-balled for the time being until there is some realization that it is a costly business to explore, to diamond drill, and so on, in the north where costs are prohibitive. The government does not seem to take these things into consideration. The cost of exploration has skyrocketed. Companies like International Nickel have moved their exploration crews completely out of the north and are operating out of Ontario at the present time. A company like Hudson Bay Mining and Smelting has absolutely curtailed all exploration in northern Manitoba and the north in general, for the simple reason that they cannot show a decent return to their shareholders in view of the tax that is required by the federal and provincial governments. Sherrit Gordon at the present time are closing down parts of their operation; they are also faced with the same situation, with no exploration work going on whatsoever.

So far as this bill is concerned, we should be thinking very seriously of encouraging industry to go into the north. To do this we have also to provide incentive through having a less firm hand on the tax side of it in order to encourage development. I am not for giving everything away, Mr. Chairman, but I still think that private industry can do a far better job of exploration than the government.

Mr. Woolliams: Mr. Chairman, I should like to ask one question of the minister. It is some time now since the budget; I think I understood it on budget night and I did look into it. Is the clause of the bill that we are dealing with now the one dealing with the encouragement of exploration and development? Is it the clause that provides for individuals and corporations taking so much money off their taxable income provided that, within a certain period of time, they invest the money in exploration and development?

Mr. Macdonald (Rosedale): Yes, Mr. Chairman. It is dealing specifically with individuals and corporations whose principal business is not resource exploration and development. As the hon. member will recall, somebody whose principal business was of this character previously had that advantage, and we have now extended it to others in the community.

Mr. Woolliams: Then may I just say a few words on that for a moment. I want to congratulate the government on this clause. I hope that members in all parties in the House, including the socialists, might appreciate that we are now reaching the stage where probably the greatest problem we have to face, not only on this continent but throughout the world, is the cost of energy. The cost of energy is one of the main factors creating inflation. If there is sufficient exploration and development to make sure that we are self-sufficient in this country in gas and oil, then we have gone a long way; and the government has gone a long way if it offers encouragement of this sort in order to control inflation other than by way of wage and price controls.

As I have said before, when we are dealing with this subject there is one thing that is always overlooked. I see the hon. member for Calgary South here; he has had a lot of experience in this field. When you are looking for investment for exploration and development purposes in the gas and oil field, you are not competing in Canada, you are competing throughout the world. Unless we give the industry incentives and let the industry benefit under this provision, then drilling equipment and other items of equipment will be sent to the North Sea and elsewhere in the world. We will be the losers. We will be paying $12, $13, $15 or $20 a barrel for crude petroleum if we do not develop our own supplies.

I hope this is a matter to which hon. members will direct their attention. I agree with the last speaker that, whatever the industry, there is ample evidence that private enterprise, particularly when risk capital is involved, certainly in my opinion can do a much better job than state control. Even communist countries are making deals with free enterprise and entrepreneurs in the United States and Canada to drill for gas and oil, because they realize that communist countries have complete state control and that there will be greater efficiency with free enterprise or in partnership with free enterprise. Surely that is ample evidence of the direction in which this country should be going, rather than in a socialist direction. If the United Kingdom's reserves are proven, as now appears is the case in the North Sea, then they may be able to pull themselves out of the economic collapse they have suffered during the last few years. I do not want to repeat what I said last evening about where some of the blame might lie.

This is one clause of the bill to which I think the government and the minister's department have given a lot of thought. I want to congratulate the government on being realistic enough to realize that exploration and development of gas and oil today must continue at an accelerated pace; otherwise we will no longer be self-sufficient in this field.

Mr. Saltsman: Mr. Chairman, I wonder whether the hon. member would permit me to direct a number of questions to him with regard to some of the remarks he has just made?

Mr. Baker (Grenville-Carleton): Let us get on with the bill.

Mr. Saltsman: This has to do directly with the bill.

Mr. Baker (Grenville-Carleton): All kinds of people are waiting for a refund. Let us get on with the bill.

Mr. Saltsman: It is directly on this particular clause. The hon. member for Calgary North was talking about free enterprise in the oil industry. In fact, Mr. Chairman, the oil industry is hardly free enterprise any more in terms of who gets the benefits. Let me ask the hon. member for Calgary North, who is very knowledgeable about these things, this question. Of the present price of a barrel of oil, how much goes to the oil industry, how much to the federal government and how much to the government of Alberta? The reason I ask this question is pretty obvious: I think something like 60 per cent to 70 per cent of the price of a barrel of oil does not go to private enterprise at all; it goes to public enterprise, the government of Alberta.

Mr. Woolliams: Well, my hon. friend has already answered the question. I like to be helped, and when a member asks me a question I like to help him. Now the hon. member has given me the answer. What he is trying to say, Mr. Chairman, is that the industry is sort of split between government enterprise and private enterprise. But I think he has missed the point, and I will clear it up for him quickly. Certainly, the greater share of the revenue today is going to government, and this will discourage exploration and development in the oil and gas field. This is what the government is trying to relieve.

• (1500)

The point I am making is that when you invest risk capital you should do it efficiently. To put a hole in the ground, drill it and organize the whole operation technically, is done more efficiently under the free enterprise system than by the government. It is true that these corporations and individuals pay large taxes. That has been the great complaint. I think my good friend, perhaps unintentionally because I know what his business was before he came to the House, missed the point.

Mr. Saltsman: I will make another point, Mr. Chairman. The hon. member for Calgary North has an argument for supporting the government very strongly on this measure. He said that this is one way of significantly lowering the price of energy in Canada.

Mr. Woolliams: I did not say that at all.

Mr. Saltsman: It seems to me that the province he comes from is taking the position that when the OPEC countries raise the price of energy by 400 per cent, as they did a few years ago, the province of Alberta is entitled to the same amount, and the reason it has not done so is because of the confrontation between the federal and provincial governments on this matter, with the province of Alberta kicking and screaming about not being allowed to raise its price. Therefore I would like to ask the hon. member for Calgary North how the price of energy can be lowered if it is the policy of the oil producing provinces to raise it to world levels.

Mr. Woolliams: I will answer that question, Mr. Chairman, but I am not the Minister of Finance as yet. It is his job to answer these questions. But let me say this to him. He talks in his preamble about Alberta. The reason there is no development or exploration going on in Saskatchewan is that whatever Alberta might have done, they pay twice as much in taxes. You only have to talk to the top men in Calgary and they will tell you that it really costs them money now to produce a barrel of crude petroleum in Saskatchewan, so they pump it so slowly that none will come out. If that is the kind of development under a socialist government which my friend likes, it is not the kind I would accept.

Certainly if we explore and develop resources and find certain quantities of oil, perhaps cheaper energy will be provided. I know that if my friend were minister of finance, like his governments in Saskatchewan and Manitoba which have their two hands in the till all the time, the price of oil would not go down. But the way to lower the price of energy—and I say this to him in terms of sound economics—is to cut down taxes, not increase them. His philosophy is to increase them and to discourage exploration and development.

I do not mind answering his questions, but I realize there is a time limit on this debate. I am not really wasting any time because finally their filibuster will have to end.

Mr. Baker (Grenville-Carleton): Let us get on with the bill.

The Chairman: Order, please. I wonder if I should allow this exchange between hon. members to continue. The hon. member for Waterloo-Cambridge asked questions of another hon. member, not of the minister, then yielded the floor, regardless of whether the Chairman agreed or not, and regardless of another hon. member who might be interested in seeking the floor. To allow the committee time to reach a decision and to re-examine this procedure, I call upon the hon. member for Calgary South.

Mr. Bawden: Mr. Chairman, I would like to ask the minister a question. Do I understand correctly that on development expenses rather than exploration expenses the write-off is 30 per cent a year on a diminishing balance?

Mr. Macdonald (Rosedale): Yes, that is right, Mr. Chairman.

Mr. Bawden: I would like to ask the minister how he arrived at this in view of the fact that exploration is a key factor in finding additional reserves. One of the great problems we will face in this country is the development of reserves and production in the high cost frontier areas. I recall reading recently that a fully developed production platform in the North Sea will cost in the order of $1 billion.

One of the problems we are facing in this country is not only finding the reserves but justifying the investment to put these reserves on production, thus making them viable. Has the minister given any thought to making development expenses fully deductible in view of the fact that this would be an important factor in making certain that off-shore fields which would be uneconomical today would become economical to develop? Perhaps Sable Island or the area surrounding it is a good example of a very high cost area. I recall, for instance, the construction of a pipeline there costing in excess of $1 million a mile. I wonder therefore if the minister is prepared to reconsider making development expenses fully deductible, thus making off-shore reserves an economical production.

Mr. Macdonald (Rosedale): Mr. Chairman, the real purpose was to provide an incentive at the highest risk end of the operation, namely, the exploration cost which would be involved potentially, such as if you are going to drill two or three holes and might find nothing but dry holes. Naturally when you move to the development phase, you have assessed for yourself that there are good chances of finding something. At that point the development can be more easily financed than can the highly speculative effect of capital involved in exploration. I do not take issue with the point the hon. member makes about the cost of development. I know it is high, and will be particularly high in the frontier areas. The thought we had in mind in this change was to encourage risk money to explore for additional oil and gas.

Mr. Saltsman: Mr. Chairman, I was hoping to direct my question to the hon. member for Calgary North, but I will have to put it to the Minister of Finance. Can the minister tell me what study has been carried out on the effect of this concession with regard to what sort of reserves or potential reserves we might get by increasing the benefits to investors in this field? Surely when the Department of Finance allows people to do this instead of paying the federal treasury in taxes, they have some idea of the benefits to be derived. How many more years' reserve can we expect to have, and how much more secure will our future be as a result of the concessions the minister is offering to investors in the oil industry?

Mr. Macdonald (Rosedale): In this regard you can only talk about the potential of the hydrocarbon bearing zone in Canada. This is a measure of judgment by experts in the field, founded among other things on the drilling experience or, in some cases, the seismic information. On the basis of this and other experience in comparable areas in Canada one can make an estimate of the potential production that can be gained from a particular area. What you cannot estimate is at what time exploration will be successful in tapping that potential, as a succession of firms have found out. Shell Canada in the late 1930's and 1940's, having the drilling rights to the Leduc field, found it very hard to develop the field there and gave it up to another company, only to suffer the chagrin of seeing another company bring in a wild-cat at that point. Even with all the scientific assistance one can have, ultimately there is a very high measure of chance involved in putting a drill down.

● (1510)

In response to how many drill holes will be successful as a result of this kind of tax arrangement in the next three years, I cannot really give a specific figure. I could seek from my colleague the current estimates of the geological survey of Canada as to the hydro carbon potential of the various areas of Canada, but one can draw the general conclusion that on the whole the more drill holes which are put down, the better chance there is of finding the resource.

I do not know anyone at this point who can say with any precision how successful we are going to be in a short period of time in bringing on additional oil and natural gas. Certainly we can expect to bring some on, but how much can be expected has to be a matter of chance as much as anything. Unless we take that chance and drill the holes, however, we are definitely not going to get it.

Mr. Saltsman: That is the same as playing Russian roulette with taxpayers' money. The reason I asked that question was really to elicit the response I got from the minister. The point is he does not know; nobody knows. We could in fact be pouring this money down the sink hole. We may just be spending this money to find out how much oil we do not have because, even under the most optimistic examination of our future for hydro carbons, we do not have very much.

Mr. Woolliams: How do you know?

Mr. Saltsman: Well, that is what they say, and to make a comparison, at Leduc in the early days of oil exploration people did not know very much about it. Scientific ways of discovering oil really had not been worked out very carefully, but today a great deal of work is being done in this country in terms of finding out what the potential is. We can always strike it lucky on some field, but from everything I have read there do not seem to be any Leducs around any more waiting to be discovered.

At the very best there are small pockets around which may be found; therefore, to provide this kind of stimulus in this game of Russian roulette does not seem to be a terribly wise proposal to put before this committee.

Mr. Macdonald (Rosedale): In the first place I take exception to that kind of reasoning. Let us divide the potential up into the more conventional hydro carbon provinces which we have in the western Canada sedimentary basin and then talk about the frontier. It is known and it is clear that there has been some success during the course of the current year, and that there are additional deposits, particularly of natural gas, which can be identified by drilling and brought into the system, so there is something very substantial to be gained with regard to our natural gas supply by additional drilling of this kind.

However, what is even more significant is the fact that seismic indications in the high Arctic and in the Arctic off-

shore show that there are very major structures which could be even larger than Leduc in terms of production if these structures are filled with hydro carbons, and I go back to my point: we are not going to identify whether we have a supply of oil and gas unless we drill holes, and we are going to have difficulty raising the funds to drill holes without the kinds of incentives we have right here.

In a perverse way it is even desirable to know that the hydro carbon provinces, for whatever reasons, over geological time may no longer contain hydro carbons. In an economy very substantially based on oil and natural gas, if indeed we do not have any more potential, we should be working very hard at developing alternative sources. If we do have natural gas and oil, I think it is important for the decision making level to find this out as soon as possible by drilling.

Mr. Saltsman: On that last statement of the minister I find that I can agree with him completely, and that is one of the things I am getting at. We do in fact know a fair amount now. We do not know as much as we would like to know or should know, but I think it is pretty obvious that we cannot predicate the future on hydro carbons, gas and oil. We must move to other forms of energy.

While I do not have before me the speeches the minister made when he was minister of energy, mines and resources, it seems to me that he said very much the same thing, that if we are to be spending money we should be spending money on new forms of energy instead of just wasting our time and providing tax benefits in a field which is not really very good for the future, even at the most optimistic estimates. Even if more oil and gas were found than expected, how much oil and gas could be found in terms of future supplies? Will there be enough for 25 years or 50 years?

Then we go through the same thing again. The point is that we have to move to new forms of energy, and these things can be marginal until we do find them—they can hold us until we get there—but we should not be placing a heavy reliance on this kind of energy for the future.

Mr. Macdonald (Rosedale): I would be glad to deal with that as well. We have in my lifetime found an additional new source of energy in the form of the nuclear power reactor. It has taken very nearly 25 years to move from the theoretical technology involved to the effective commercial exploitation of it. There is a common practice on the part of some observers of energy policy to talk about solar energy, biomass, wind or tidal energy, and to assume that to think about it is to install it with the present technology. However, that has not been our experience in technology. We in this country are going to be dependent—as indeed the world is going to be dependent—on fossil fuel sources, probably for the balance of my lifetime, and I think it is therefore important for Canadians to identify our sources if we can, rather than pay somebody else for them.

In due course I think we are going to evolve effective alternative sources of energy, and that is desirable, but I do not think it is adequate to say that we will stay cold for 20 years and that by then we should have some effective solar technology to take care of us.

Mr. Bawden: Mr. Chairman, further to the question I asked the minister about the 30 per cent diminishing balance write-off on development expenditures, I am wondering if the minister is aware that any sophisticated company which looks at its exploration program in any off-shore and high risk area at the same time has to run through the economics of producing, before it even gets involved in the early exploration. Does he realize that they examine on a very careful basis whether the land regulations and the tax rules which are in place permit them to develop if there is a discovery of a certain size?

I believe this is an alteration to the rules as they were in the past. In other words, development expenditures were fully deductible, and I suggest to the minister that this is a retrograde step which would make it less attractive to develop. It would discourage explorers from going in in the first place because they recognize the probabilities. They recognize that they have certain chances, but if they fall somewhat short of the reserves they hope to find, then under certain tax rules they could not proceed to develop. I suggest to the minister that this is a discouragement to exploration in the first place. I think this has been evidenced in the North Sea where a great many small companies, particularly Canadian companies, were forced to sell out to bigger companies, simply because they were unable to raise the very large amounts of capital required. I think the minister recognizes that if there is a problem in the energy producing industries of our country today, it is the availability of capital not only for exploration but also for development.

Everybody is short of capital. In fact even the very large companies are, as evidenced by their activities in the recent past. They simply cannot find the sources of capital which are going to be required.

I would like to ask the minister whether he would give consideration to changing this write-off provision and increasing it to 100 per cent, in view of the fact that this government has for a number of years been stingy with regard to everything it has done. It has always been treading the narrow line of being too tough. The minister is well aware of the cutbacks in exploration which have taken place. That is one of the reasons why we have a serious energy outlook in this country at the present time.

I am wondering whether the minister is going to err on the side of being too tough, bearing in mind particularly that there are no rules in place today relating to off-shore areas. We have so many uncertainties, so many unknowns, and so many rules that we err on the side of being too stingy and we have created a very great uncertainty, particularly as it relates to the frontier areas under the control of the government.

● (1520)

I wonder if the minister would consider this question of the 30 per cent write-off for development, recognizing that it would give further stimulus to exploration and would bring less

economic fields into the realm of economic fields. Presumably in the slightly longer term it would improve the energy outlook in Canada. It would at least nail down one area as a certainty rather than the basically negative things that have prevailed in recent years, notwithstanding the fact that the basic thrust of this clause, which permits Canadians to invest in exploration, is a good one.

Mr. Macdonald (Rosedale): The difficulty, of course, is just how much of the public purse you are going to make available for any of these operations. One could say in a single minded way that you should make all conceivable funds available for this purpose. We have said that as a matter of priority in terms of forming a Canadian energy policy it is important to identify the potential of an area, which is to be done primarily by exploratory drilling. It may well be because of the high capital costs involved in development we would want to look again at the rate of write off for those who at the moment do the exploration drilling we are most concerned to stimulate.

The Assistant Deputy Chairman: The hon. member for Waterloo-Cambridge.

Mr. Saltsman: I see the chairman is becoming somewhat familiar with the name of my constituency.

I should like to direct this question to the minister. It will be quite obvious why I am asking, but before I do I wish the minister would not drag out his red herrings about how we are going to be freezing in the dark unless we pass this kind of legislation. There is energy available. There are other forms of energy that can be purchased at this particular time. I want to ask the minister to make a comparison between the kind of tax benefit and loss to the treasury that is going to take place through this measure as against what Canada is spending in trying to develop new forms of energy.

The reason I ask this question is quite obvious. In other words, what is this measure going to cost? How much are we spending in exploring for or examining new forms of energy?

Mr. Macdonald (Rosedale): On the second part of the question, Mr. Chairman, I would have to inquire of my colleague as to the expenditure in the private and public area on new forms of energy. On the first part of the question, there is going to be some cost certainly, but it will depend on the extent to which it is seen as an attractive investment by many people. In other words, one of the reasons for having a trial period is so that the government's liability in this area may be limited for the purpose of determining the efficacy of these means of stimulating investment or whether, on the other hand, we may be giving too much away at this point.

I cannot give a precise figure now but I can say that since the matter has come up there have been a number of funds put together for the purpose of engaging in this kind of exploration.

Mr. Saltsman: Is the minister telling the House that he cannot tell this committee what the cost to the treasury will be as a result of the passage of this particular clause?

Mr. Macdonald (Rosedale): Not any final definitive figure, Mr. Chairman. No.

The Assistant Deputy Chairman: Shall clause 24 carry?

Some hon. Members: On division.

Clause agreed to on division.

Clauses 25 to 30 agreed to.

The Assistant Deputy Chairman: Shall clause 31, as amended, carry?

Mr. Macdonald (Rosedale): On a point of order, Mr. Chairman, it is not an amendment to clause 31. It is an addition to the bill of clause 31.1.

The Assistant Deputy Chairman: Shall clause 31 carry?

Some hon. Members: Agreed.

Clause agreed to.

Mr. Lessard moved:

That Bill C-22 be amended by adding thereto immediately after line 12 on page 33 the following clause:

31.1 (1) Paragraph 82(1)(b) of the said Act is repealed and the following substituted therefor:

'(b) where the taxpayer is an individual, other than a trust which is a registered charity, ⅓ of the aggregate of all amounts described in paragraph (a) received by him in the year from taxable Canadian corporations'.

(2) This section is applicable to the 1977 and subsequent taxation years.

The Assistant Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Clause 31.1 agreed to.

Clauses 32 to 42 inclusive agreed to.

On clause 43.

Mr. Saltsman: May I first of all say that in principle I am very pleased to see that the question of assistance to dependent children or other persons confined to wheelchairs is being provided. I think this is something long overdue. All of us have personal experience of people who have children who require very close attention, and we are familiar with the costs associated with that care. I am therefore happy to see this particular measure included in the bill. My happiness is somewhat soured—

Mr. Macdonald (Rosedale): Tempered.

Mr. Saltsman: —tempered, by knowing that I have to say the same thing on this as I have said on some of the other reasonably good measures which are put into the tax bill and then distorted because of the disproportionate benefits they give to the rich as against what they give to people on working incomes.

It must be obvious that the cost of looking after a child in a wheelchair bears as heavily on the poor as it does on the rich; in fact, perhaps more heavily on the poor than on the rich.

This allowance is really not going to cover totally the cost of supporting a child of that kind, yet if we look at the effect that this has we can see quite clearly that the better off are going to benefit more from the dependent child disability deduction. Someone with an income of $10,000 a year receives a benefit of $275; someone fortunate enough to have an income of $50,000 a year receives a tax benefit of $563. The higher income receives more than twice as much, and of course it is proportional all the way through.

It seems to me that to distort a humanitarian measure like this is the wrong way of going about things, and I have to object to it. I do not think anything points more significantly to the kinds of things that happen in our society, the kinds of distortions that take place, and the positions in which members of this House are often placed. The government brings in a measure which is humanitarian on the surface and has the support of all people, then deliberately distorts it to maintain the bias between rich and poor in which the rich do better and the poor do worse. The government says, "The poor will get something, so why should they complain if the rich get twice as much? If the poor complain and this bill does not pass, they will get nothing at all."

● (1530)

Mr. Woolliams: We should get our handkerchiefs out.

Mr. Saltsman: It is easy for my friends on my right to jeer, but let them stand up and tell me on what sense of morality is a measure like this based, a measure designed to assist crippled or disabled children but under which the rich are to be compensated twice as much as the poor. What is worse, if you do not earn any taxable income, you will get nothing. If you are very poor, you get nothing at all. What is the moral basis of this measure?

Mr. Woolliams: If you have no taxable income, you do not pay any tax.

Mr. Saltsman: Because you do not pay tax, your crippled child will not get benefits.

Mr. Woolliams: But there are other programs, you know.

Mr. Saltsman: What benefit do you get if you do not pay tax? Mr. Chairman, we are not speaking of a kind of universal demogrant. We are speaking about a deduction from taxable income. If you do not earn taxable income you do not get any benefit. Perhaps we should leave that point. After all, judging from the comments one hears, some hon. members feel that the poor are not deserving and perhaps should not get any benefit.

Let us assume that you earn less income than some other people. Why should you get only half as much of a benefit to assist your disabled child?

Mr. Woolliams: Why do you pay more than twice as much tax if you make twice as much money?

[Mr. Saltsman.]

Mr. Saltsman: I know that this whole business is very symmetrical. Hon. members will repeat the argument of the Minister of Finance, that the tax system is proportionately based and since we are talking about tax reduction, why, this is the way it works. Mr. Chairman, that is a lovely piece of symmetry. But what kind of morality is it? That is what I am asking the committee.

The benefit need not be given in the form of a tax deduction. It could be given as a tax credit. If it were instituted as a tax credit, each person would benefit equally, including the person who does not earn taxable income. That, it seems to me, is the way it ought to be done. It should not be instituted in the form of a tax deduction, because under the present system the more you earn, the greater is the benefit you can obtain.

We object to that sort of thing not only in the clause under discussion but in other clauses of the bill which provide uneven benefits to taxpayers. My remarks apply even to the clause about which we talked previously, which one cannot mention at this time. That has been the pattern of this entire bill. Under this bill, the more you have got, the more you "gets", and the less you have got, the less you "gets". We object to that.

Mr. Lambert (Edmonton West): Mr. Chairman, generally I commend the changes being made. May I raise a question about the meaning of "prescribed information"? I am referring to those words appearing on line 27 of page 46 of the bill. A student attending an approved educational institution had to prove his attendance by filing with the minister a certificate of attendance from that educational institution. What does the minister intend in this regard? Why have the words "prescribed information" been included in subparagraph (g)?

Mr. Macdonald (Rosedale): As I understand the situation, Revenue Canada felt that a mere certificate of enrolment was not adequate. They wanted additional information as to the nature of courses, the period of time attended, and so on, for the purpose of making a judgment as to whether the individual person fitted within that category. That is my information.

Mr. Lambert (Edmonton West): Mr. Chairman, could I please have some information with regard to the new definition of "registered charity"? I am referring to page 47, subparagraph (4)(c). The amending paragraph reads in part, " . . . and was either created or established in Canada." That provision did not exist in prior legislation.

There is, as a schedule to the Income Tax Act, a list of some 268 educational institutions, I think, known as universities outside Canada. They appear under Schedule I. Many Canadians have the advantage of an education at a university outside Canada, and from time to time they are asked to contribute to a foundation or scholarship program. Usually they are well disposed to make that contribution. After all, they have attended these institutions of learning, often at no expense to themselves, because they went on a scholarship. Frankly, I consider myself as one of them. We derived great benefit from our stay in those universities. Naturally, from time to time we

are called on to make contributions, either to a building fund or to a scholarship program.

In future, how will a Canadian resident or citizen who has attended one of these schools approved under Schedule I make a contribution, as a gift, to a charitable organization? In other words, the gift is truly to be considered as being made to a charitable organization. Does the present provision mean that we shall need to establish some foundation or what have you in Canada, which will collect these funds and then transmit them to the institution in question, whether in the United States or abroad?

Mr. Macdonald (Rosedale): I suppose the question is whether the hon. gentleman would make his contribution to Oxford University; I would make mine to Cambridge.

Mr. Lambert (Edmonton West): I would even allow you to do that.

Mr. Macdonald (Rosedale): In either case, the contribution is made directly to the institution, for example, to the trustees of Trinity Hall, Cambridge. The university itself will give me a receipt for that contribution. That, as I understand it, is not changed by the present provision. By way of comparison let me add that I believe that the Friends of Harvard University in Canada have a Canadian foundation to which funds are contributed; as a result of the contribution you get a receipt. As I understand it, under the new arrangement my hon. friend and I will still be able to make a trans-Atlantic contribution to an institution of learning. We will not have to make the contribution to a foundation in this country; but this provision has been introduced in case there is a foundation here.

Mr. Lambert (Edmonton West): Mr. Chairman, speaking about contributions to Oxford, it seems to me that there was an establishment in Toronto to which one sent contributions. That organization issued a receipt under the registered charities section. Unless one filed a receipt which had a registered number on it, the Minister of National Revenue would not recognize it. Therefore I could have sent thousands of pounds, if I had them, to my old college in the United Kingdom, but the Minister of National Revenue would not have recognized them.

Mr. Macdonald (Rosedale): Mr. Chairman, I could talk from other experience. I have sent contributions, not thousand of pounds, directly to my institution and received a receipt which has been allowed for tax purposes.

● (1540)

Mr. Lambert (Edmonton West): May I quote you?

Mr. Macdonald (Rosedale): By all means. I have to say that as one of those of my college in Canada interested in this question, I took the precaution of seeking advice from National Revenue in advance before I dunned everybody else to make a contribution. I believe that is in accordance with the law.

Mr. Lambert (Edmonton West): I will quote you.

Clause agreed to.

Clauses 44 and 45 agreed to.

On Clause 46.

Mr. Lambert (Edmonton West): As I recall it, Mr. Chairman, this has to do with the unused portion of the interest and dividends deduction that is allowed to taxpayers. This allows the transfer of unused portions from one spouse to another, both of them being taxpayers. Am I correct? Also, what is the net effect of the amendment that is proposed at this time?

Mr. Macdonald (Rosedale): Mr. Chairman, the purpose is to simplify the procedure here, the income tax form. The purpose of this technical amendment, which adds new section 110.3 to the act, is to lay down uniform rules to govern the transfer of transferable deductions between spouses. Presently the student living allowance deduction and disability deduction are transferred on one basis, and the pension income deduction, interest and dividend income deduction, and old age deduction are transferred between spouses on another basis. As a result the taxpayer has to make a separate computation in respect of each deduction he may transfer. This amendment will permit the taxpayer to make one computation in respect of all of his transferable deductions.

Mr. Saltsman: Mr. Chairman, I have a question for the minister. We are going through all the shenanigans of transferring from one spouse to another, and going through the kinds of things I pointed out earlier today about what one spouse can do on behalf of another. Why does the minister not in fact move toward a system of joint filings? It would get rid of half of this mess in the income tax system. Instead of all the loopholes that are opened and closed, providing a social security system for lawyers and accountants in this country, why not simply move in the direction of a joint filing system rather than what we are dealing with here all the time? If you are going to need a lawyer, you might as well be a joint filer.

Mr. Macdonald (Rosedale): Mr. Chairman, this question has received extensive consideration. In observing internationally, we have found that the trend appears to have been away from the joint returns. I think there is probably something to be learned from the experience of others in that regard.

Clause agreed to.

On clause 47.

Mr. Lambert (Edmonton West): What is the explanation of this?

Mr. Macdonald (Rosedale): Mr. Chairman, subsection 113(2) of the act provides that a taxpayer may offset the taxable portion of a dividend received from a foreign affiliate after the end of the taxpayer's 1975 taxation year against the adjusted cost base to him of the share on which the dividend was paid at the end of this 1975 taxation year. This amendment to the act provides that the amount available for offset in this manner must be reduced by any repayments of capital on

that share subsequent to the end of the taxpayer's 1975 taxation year.

Mr. Lambert (Edmonton West): I hope the minister is further ahead after having read that than I am.

Mr. Macdonald (Rosedale): I will not concede that. This is the first time I have read it.

Clause agreed to.

Clause 48 agreed to.

On clause 49.

Mr. Saltsman: Mr. Chairman, this clause is presently under the guise of existing small business. The benefits being provided to small business are very substantial. The question is whether they are really going to small business rather than to the upper echelon, maybe a very small percentage of small business that in fact is not small business at all but verges on what I call much larger business, and these benefits are being provided under the guise that they will be of assistance to small business.

Rather than engage in an argument on this sort of thing, I would ask the minister for some figures that we could examine. The kinds of figures I would like from the minister include how many small businessmen there are in this country, how many of those small business companies pay any tax and, of that group of small businessmen, how many does the department anticipate would benefit from this kind of measure? Also, what is the cost to the federal treasury of this provision?

Mr. Macdonald (Rosedale): Mr. Chairman, I have to confess that I do not have instant responses to those four questions. I can seek them for the hon. member, but I do not have them at hand at the moment.

Mr. Saltsman: If we are being asked to pass a measure of this kind, that kind of information should be before the committee. As I started to say, it seems that the benefits really are not going to small business.

Just drawing on my memory of very old statistics, which are going to be approximate, and I put this before the committee with no more authority than to try to make a general point, the last time I looked at the figures, there were approximately 400,000 small businesses in Canada. Of that 400,000, over half paid no tax. They were not even in a taxable bracket, let alone being assisted by a measure of this kind. Of the other half, very few earned enough money to benefit from the provisions in any substantive way. The real beneficiaries of a clause of this kind are not small businessmen but some very substantial businesses which can well afford to pay the tax and do not need this kind of assistance.

Mr. Macdonald (Rosedale): On the final questions, Mr. Chairman, I can make an approximation. It is estimated that Canadian small business, however that may be defined, whether to the satisfaction of the hon. member or not, will save about $30 million in taxes in the first whole year.

[Mr. Macdonald (Rosedale).]

On the question raised by the hon. member as to how small is small, or when does small become medium or even large, to a degree the limits are set on the size by definitions already in the Income Tax Act. Without being precise in that regard, the hon. member and others can identify in their experience Canadian firms in particular which are in that middle ground without being able to carry on business with the contributed part of partners or subscribed capital of shareholders, and the very large businesses which are in the position to finance by a large public issue of shares.

There is a substantial number of companies in the centre, many of them Canadian owned, which are faced with the choice of either going out of business or selling the business to a going concern, primarily to a foreign party. One might argue that many of the takeovers which occurred in Canada in the past have had this transition difficulty, this financial difficulty which firms have run into. I do not pretend for a moment that this income measure is the complete answer to that problem, but it does seem to respond to a great deal of the concern Canadians have and, it seems to me, to a concern I have heard the hon. member himself mention from time to time, that Canadian controlled enterprises should have an opportunity to grow, and if that be our objective, as I take it to be, then some relief, at least from the standpoint of the corporate income tax burden, is one way of assisting in this respect.

● (1550)

Mr. Saltsman: It is the concern of this party that small business should grow to the extent possible, and it certainly is a concern of this party that as much of our business as possible be Canadian controlled. Nevertheless, I often think that many of the measures the government introduces in the guise of moving in this direction are perverse and misleading. It seems to me that the years in which we experienced the highest degree of foreign ownership were the years in which we had one of the most favourable tax systems in the western world. The favourableness of the tax system rather than the burden of taxation is what induced many businesses to sell out. We were the last country in the world to impose a capital gains tax, and when we did bring in such a measure it was only at half rates.

What was the consequence of not having a capital gains tax in Canada? The consequence, in my view, and I believe in the view of others who studied this question, was to encourage Canadian owners to sell their businesses, usually to American buyers rather than to Canadian buyers. The system works in that way. If you had a business and were working hard, you had to pay the regular rate of taxation. If you sold your business, without being liable for capital gains tax, you got a whopping sum of money which was totally exempt from taxation. The temptation to do so was incredible. Somebody would go to a businessman and say "Why are you working so hard? You are doing well and making money, but if you sell out you would do twice as well, because instead of having to pay tax on your earnings you would receive a capital amount and would not have to pay anything at all." That is one reason why so much of our industry sold out. It was not because the tax system was too harsh. It was because the tax system was

too biased in favour of selling out as against running at a profit.

To some extent the same situation prevails today with a 50 per cent capital gains tax in operation. The temptation is not so great but it still exists. It is still attractive to sell a business rather than run it, and this is really the problem. I believe a lot of things are wrong with our present system and that we have to assist Canadian business. But I do not think this provision will make any difference whatsoever.

What is interesting in observing the decisions which have come from FIRA is that this institution is in a box. It wants Canadian business to be bought out by Canadians, but there are very few Canadian buyers around to buy it out.

Mr. Lambert (Edmonton West): No wonder. They have no money. They are taxed to death.

Mr. Saltsman: That is the problem. There has been a failure to create institutions which can assist small business financially. One of the difficulties is the attitude of small businessmen themselves. They do not want to take in partners or put shares on the market; they want to own the whole thing themselves.

We have spoken in the House on a number of other occasions in favour of the Canada Development Corporation. We hoped we would have an instrument which would help Canadian business. Our argument was that instead of all these give-away programs through the tax system, the hidden welfare system, it would be better to take this money and turn it over to a venture company which would assist small business, go into partnership with small business, and help them with management, financing, merchandising on so on. This would do far more for Canadian business than these little bits and pieces, this shotgun approach by means of the tax system.

I am sure these measures do some good at some point. They are not totally lost. What I am suggesting is that so much is shot into the system that you do not know what does good and what does not do any good. The scatter gun approach is adopted simply because, after all, you have to do something. The government cannot be accused of not trying to help small business, of not being on the side of the little man, so it approves these measures which essentially help the bigger operator more than the smaller companies. The smaller operator really needs money not when he is making money; when you are making money you can usually get money. You have got credit by that time. You can get money from a bank or from investors. The problem for small businesses arises when they are not making money and when they do not benefit from measures of the kind proposed.

If the government really wants to assist small business it must provide assistance where it really counts. One way is by creating a venture capital company to help small business in every way possible. The other way is to help them when they are not paying tax rather than when they are paying tax. The worst possible way, and the least effective way of helping small business which is really small business, is through the measure which has been put before us this afternoon. I say this because the benefits of tax measures of this kind do not, in my experience, go to small businesses but to much larger businesses which are quite capable of looking after themselves.

Mr. Lambert (Edmonton West): My only comment is that it is high time that this provision was introduced. Notwithstanding what the hon. member for Waterloo-Cambridge has said, it represents a belated recognition by the government that we have experienced inflation for a number of years and that it is nonsense to keep things down at absolute figure maxima as they were in the act.

Clause agreed to.

Clauses 50 and 51 agreed to.

On Clause 52.

Mr. Lambert (Edmonton West): On clause 52, Mr. Chairman, I see that in proposed subsection 127(3) there is a change in definition, from "candidate" to "an officially nominated candidate." What was the rationale behind that change? Is an officially nominated candidate one who has been certified by the party leader to the chief electoral officer?

Mr. Macdonald (Rosedale): The explanation is this. Theoretically any individual might call himself or herself a candidate and commence issuing receipts to his or her supporters in return for political contributions. This is an attempt to bring the section a little closer within the framework of a formal political campaign.

The Assistant Deputy Chairman: Order. It being four o'clock it is my duty to rise, report progress and request leave to sit again at the next sitting of the House.

Progress reported.

PRIVATE MEMBERS' MOTIONS

[*English*]

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

Notice of motion No. 4, the hon. member for Ottawa-Vanier (Mr. Gauthier). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

Notice of motion No. 7, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

Notice of motion No. 10, the hon. member for Egmont (Mr. MacDonald). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

Notice of motion No. 14, the hon. member for Wetaskiwin (Mr. Schellenberger). Shall the motion stand?

Some hon. Members: Stand.

● (1600)

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

Motion No. 15, the hon. member for High Park-Humber Valley (Mr. Jelinek). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

Notice of motion No. 16, the hon. member for Scarborough West (Mr. Martin). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

Notice of motion No. 17, the hon. member for Hamilton West (Mr. Alexander). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

Notice of motion No. 20, the hon. member for Bellechasse (Mr. Lambert). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

Notice of motion No. 22, the hon. member for Edmonton-Strathcona (Mr. Roche). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

[The Acting Speaker (Mr. Ethier).]

PENSIONS

SUGGESTED LOWERING OF AGE OF ELIGIBILITY, AND INCREASE IN BENEFITS

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That, in the opinion of this House, the government should give consideration to the advisability of amending the Old Age Security Act and the Canada Pension Plan to provide for the pensions payable under these two acts to be available at age 60 to all persons who meet the other requirements of the said acts and who are not in or are prepared to withdraw from the labour market, and also to provide for the basic amount of the pension payable under the Old Age Security Act, at age 60 for those not in the labour market and to everyone at age 65, to be increased to $250 per month, for this basic amount to be escalated each year by an amount that will enable pensioners not only to keep up with rising living costs but to share in rising living standards, and also to provide for the elimination of any means or income test from the Old Age Security Act, so that the full pension thereunder will be recognized as the established right of all our people.

He said: Mr. Speaker, I find it an interesting coincidence that this motion has been called for debate this afternoon. It so happens that yesterday when the government House leader was announcing the business for next week he indicated that one of the items to be called for second reading would be the government's bill, C-35, which is, in effect, an overhaul of the Old Age Security Act.

If I may underline what I mean about its being a coincidence, it arises from the fact that I shall be speaking in support of Bill C-35 when it comes before us. But I shall be indicating that there are two major shortcomings in Bill C-35. My motion deals with those two shortcomings. I hope the discussion we have this afternoon, and the discussion we will have on Bill C-35, might prompt the government, either at the second reading stage or in committee, to do something about these two shortcomings. One of these shortcomings has to do with the age at which pensions are available; the other has to do with the adequacy of the basic amount of old age security.

The first subject I wish to raise is that of the eligible age for pensions. I want to emphasize, even before I make my argument for lowering the age of eligibility, that what I am advocating—and advocating very strongly—is voluntaryism so far as early retirement is concerned.

I am not arguing that age 60 be the compulsory retirement age. However, I am arguing that the possibility of retiring at age 60 be available. If we are going to make that possibility real, I suggest we have to amend both the Old Age Security Act and the Canada Pension Plan.

The minimum age for payments under these two pensions is still age 65 and in my experience there are a great many Canadians, particularly Canadians in industry, who find the "rat race" very hard these days, and who feel that they ought to have the opportunity of retiring at age 60 instead age 65.

If we could persuade the government to make old age security available at age 60 that would be a good step, a partial step. If we were to make both old age security and Canada Pension Plan benefits available at age 60 many persons would be able to take advantage of that. However, as my motion suggests, that in itself would not be everybody.

The fact that I am emphasizing voluntaryism is underlined by the words in my motion that state pensions should be available under the two acts to persons at age 60 who are out of the labour market. I propose that there be no means test between ages 60 and 65. I wish also to emphasize there should be no marital test as there is with respect to the spouses' allowances that are now available.

A pension to those between the ages of 60 and 65 who are out of the labour market would take care of the spouses of pensioners, or of those at home whose spouses are working. It would also take care of spinsters and widows, bachelors and widowers who are not now covered by the spouse's allowance.

In the 1974 election campaign when the Prime Minister (Mr. Trudeau) first announced that the government would bring in a spouse's allowance I distinctly remember hearing him say that this would create problems. It has created problems. The main problem is that it does not cover a great many individuals. There is the horrible problem that arises where a spouse between the ages of 60 and 65 may get the spouse's allowance because he or she is living with a spouse who is of pensionable age, then a year or so later the older spouse dies when the younger spouse has not yet reached the age of 65, therefore, the younger spouse loses the allowance.

The figures we have from the department indicate that this is affecting approximately 200 individual Canadians every month. The Prime Minister was right during the 1974 election campaign when he said this would create problems as well as solve problems. I think the problems should now be solved by extending pensions to persons between the ages of 60 and 65 who are out of the labour market. I use that phrase to cover both those who are already out of the labour market because they are at home, or whatever, and those who voluntarily leave the labour market.

I am quite sympathetic to the arguments made by some about the difficulties of a fixed pension age. Speeches to that effect have been made in this House, and may again be made today. Studies made on this issue, particularly one under the aegis of the Canadian Council on Social Development raise this whole question of whether or not we should have a fixed age at which people must retire, and I go along with the proposition, that it should not be fixed, it should not be compulsory. My motion does not ask for compulsory retirement. My motion asks for the possibility of retirement at age 60. That would be possible if the old age security pension and the retirement benefits under the Canada Pension Plan were made available at that age.

● (1610)

I know what happens to private members' resolutions in private members' hours. I do not see any reason to hope that the same thing will not happen to mine this afternoon, but I hope that the discussion we will have today will have some bearing on the debate next week and on the debate when we get into committee on the government's Bill C-35.

The other phase of the motion that is now before the House is to the effect that the basic amount of old age security should be increased to at least $250 a month. There are organizations and persons in Canada who will say that that figure is not high enough. I have seen resolutions for a much higher figure and I go along with them, but in this House one has to move a step at a time, and since the basic amount of old age security is at present $141.34 a month, perhaps I am asking for all I dare ask for, namely, that it be increased by about $109 to $250 a month. I am still opposed to the means test concept that attaches to the guaranteed income supplement. We have been over that battle many a time and I do not wish to take time on it this afternoon, but at the moment at any rate there are amounts available on top of the present basic pension which bring the total that an individual and a married couple can reach up to a certain figure. But these figures are still very inadequate, and even though it is a time of restraint, a time when some persons will say we have done enough for pensioners, let us leave that subject alone, I insist that our older people have the right to have their plight considered.

I hold in my hand a clipping from the Ottawa *Citizen* of Tuesday, January 4, 1977, with a Canadian Press dispatch from Toronto under the heading, "Elderly Need Up to $695 Each Month". This story is based on a report put out by the Social Planning Council of Metropolitan Toronto, funded by the Department of National Health and Welfare. The figures in this report suggest that a couple in Toronto today, if that couple owns its own home, needs at least $654 to get by. On the other hand, if that couple has to rent accommodation, it needs at least $695 a month to get by. I have looked at the details making up those figures and in a number of cases it seems to me that the figures are very conservative. These totals of $654 a month for a couple owning their own home and $695 for a couple having to rent are certainly minimal.

In defence of the proposal I make which would add about $109 a month to the basic pension now being paid, may I say that even if my motion were passed and everyone received the full $250 a month which my motion proposes and, on top of that, the full amount that is now being paid as a supplement, the totals would still be a little below these minimal amounts that have been given to us by the Social Planning Council of Metropolitan Toronto.

I urge that this matter be given serious consideration. I know that there have been times in this parliament when the mood and the climate were such that one could push for better benefits for senior citizens and make more headway than one could at other times. I know that at the moment it is a rather hostile time, with all the preaching about restraint and all the rest of it. But the fact of the matter is that the nearly 2 million Canadians who are 65 years of age or over have a right to have their conditions improved, and I think it is little enough to ask that the basic pension for these persons be fixed at not less than $250 a month plus the additions that are provided in the legislation.

Now, Sir, there are many aspects to this. There is the whole question of escalation, the question of universality, taxation, and other things in which senior citizens are interested.

We have moved a long way since I first started talking about old age pensions in this place. We have moved into the field of housing, of medicare, and so on. but it is still true that at least half of the Canadian people who are 65 years of age and over are having a tough time to get along, and we should do a lot better for them.

Time is limited in this hour and I want to use less than the full 20 minutes allotted to me, so I simply present this motion once again, perhaps the thousandth time or more that I have made an old age pension suggestion in this Chamber. I plead that the time has come to increase the basic amount to at least $250 a month plus the extras, and certainly the time has come to make pensions available both under the Old Age Security Act and under the Canada Pension Plan to all our people on a voluntary basis at the age of 60, provided only that they are out of the labour market. I present the motion, hoping that this time the House will consider it favourably.

● (1620)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my contribution to the debate on this motion will be as brief as possible; however, first of all I want to congratulate the hon. member for Winnipeg North Centre (Mr. Knowles) for the motion he has placed before the House. We must recognize that the dean of the House is demonstrating considerable perseverance while taking advantage of every means offered by the procedure to urge the government to improve the lot of each and every Canadian 60 years old and over, something for which the House should commend him.

On the other hand, the platform of the Social Credit Party of Canada, to which I belong, has always included a provision for lowering the optional retirement age limit to 60. Therefore, not only do we advocate lowering retirement age, but we urge the government to increase the amounts paid under the Old Age Security Pension and the Canada Pension Plan so that all retired Canadians may have enough to support themselves.

Is Canada economically and financially able to meet the requirements of this motion? The gross national product is kept at a reasonable rate, in spite of the increase in the number of unemployed Canadians. They could help increase the GNP if they could use their energies to make the production greater, thus allowing us to reach quite easily the aim of the motion.

Financially, we also can wonder whether Canada can face such expenditures. As far as I am concerned, I think so, but budgetary cuts should obviously be made, especially with respect to the interest paid by Canada on the national debt. In the current fiscal year, the federal treasury will have to pay $4 billion; interest on the national debt alone and it is impossible to know from the Minister of Finance (Mr. Macdonald) to whom that interest is paid. Let me refer to the answer reported in *Hansard* for February 1, 1977 in reply to a question I raised, No. 1,389. I was asking for some information every Canadian should know, namely the total amount of the national debt, to whom is this debt owing and who are our creditors. Is this a long term or a short term debt? Efforts will be made to try to find answers which are not available. Interests are paid, but we cannot know to whom? We owe money and we do not know to whom?

[Mr. Knowles (Winnipeg North Centre).]

I believe the Minister of Finance should consider the answer that has been given, and I imagine it was prepared by a public servant who did not want to take the trouble of going to the bottom of things. I do not know the public servant who prepared the answer, but I know the Minister of Finance well, and this is why I ask him to do everything possible to provide us with information on this matter because we are entitled to it. We should know the true financial situation of our country.

From the reply it has given, the government is obviously not prepared, as I have just said, to give us this information, but once again, I demand it. The government is able to tell us to whom we have paid $2,975,787,998 for the old age security pension of people 65 and over. It is able to provide us with names and addresses and it is also able to tell the House that an amount of $34,936,432 was paid out in allocations to the spouses 60 and over from October 1975 to March 31, 1976. It can also tell the House that the amount of $923,251,220 was paid out in income supplement, which makes a total of $3,933,975,630. The government is able to provide all this information to the House. I congratulate the government because those are clear answers that have been read into the official report.

Mr. Speaker, as of April 1, 1976, there were 855,600 males and 1,101,300 females aged 65 and over, or a total of 1,956,-900 people who received old age security pensions. I am putting all those figures on the record in answer to those who suggest that it is impossible, that the expense is beyond our means. And when I am finished with those figures, I believe it will be recognized that the motion now before us is reasonable and Canada can afford it.

At the same date, there were 896,900 people between 60 and 64 years, 434,900 males and 462,000 females. We would have to know how many are now receiving spouse allowances, in order to know how many would be entitled to OAS pensions and to determine the actual cost to the federal treasury. That could be computed. Of the total cost, deduction should be made of the current cost to the federal treasury of social welfare benefits paid to people in that category under agreements with the provinces. The actual cost would be known only after such computations were made.

There is another factor to consider. A number of those people will retire voluntarily from the labour force, to be replaced mainly by people currently unemployed who now receive government assistance in the form of unemployment insurance or social welfare benefits. This involves a significant amount of money. If those unemployed were to take the jobs vacated by people retiring, this would mean so much UIC and welfare benefits we would not have to pay. Moreover, these new wage earners will be paying taxes that will replete the federal treasury and help pay the OAS benefits referred to in this motion.

For all these reasons it is high time in my view that the government introduce legislation to amend existing acts, to give such persons the benefits referred to in the motion.

I suggest this country must secure a well deserved income security for elderly people. If we consider all achievements in Canada over the past 40 years, one can see they are largely due to people who are 60 years or over, keeping in mind nevertheless that younger ones have also contributed.

One must also take into account that people of 60 and over have worked in very difficult and sometimes inhuman conditions and that without their courage and strength, today's generation would not have the facilities and opportunities now at their disposal. By the way, Mr. Speaker, I would like to ask young people and adults who are or would like to be on the labour market to talk to elderly people and draw comparisons between opportunities today and at that time. At present, one can load a van while sitting on a heavy machine and handling levers, whereas people of 60 years and over had to do it with small shovels with handles three feet long. It was much more exhausting and much less profitable. Young people, who critize easily, should absolutely consider all the advantages of which they can avail themselves. I am convinced they can reason and take all these matters into consideration. They would surely be willing to pay more taxes to ensure old age security pensions at a reasonable rate and enable elderly people to enjoy for a few more years the opportunities Canada may offer them.

In conclusion, Mr. Speaker, we must be grateful to the hon. member and we should adopt this motion as soon as possible. We would then show much understanding and would at the same time carry out our duty as parliamentarians and administrators.

[*English*]

Mr. F. A. Philbrook (Halton): Mr. Speaker, with pensions being so prominent in the news, particularly with regard to indexing, I am very pleased to be able to speak today on motion No. 23. The reputation of the hon. member for Winnipeg North Centre (Mr. Knowles) is well known and respected, particularly in the area of pension plans, and for that reason I should like to be able to assure him of my support for this motion.

Mr. Knowles (Winnipeg North Centre): At least the hon. member's heart is in the right place.

Mr. Philbrook: However, that is not possible because, far from improving the situation with regard to pension plans in Canada, this motion might in some ways and in some cases make the situation even worse.

The hon. member for Winnipeg North Centre has made a number of suggestions in his motion which would represent a radical change in the Canadian pension system and in the costs paid by the Canadian taxpayer. Before looking at these proposals in detail, I think it might be useful to look at the present system of pensions in Canada, to consider the many changes and improvements which have been made in the old age security program and the Canada Pension Plan, and to examine the benefits retired Canadians can expect under the current provisions of these programs. Such an examination appears to be in order if an objective assessment is to be made of the sweeping alterations proposed by the hon. member for Winnipeg North Centre.

● (1630)

Just 12 years ago, in 1965, the income guaranteed to a retired Canadian by the government of Canada was only $75 per month, payable at age 70 under the Old Age Security Act. In other words, a married couple both 70 years of age or over could expect a total of $1,800 per year only, in public pensions. If they wished to retire at an earlier age or live at a higher standard it was expected they would have private resources to do so. Since then some dramatic improvements have been made in retirement benefits for the elderly.

In 1966 the retirement age for old age security began to be reduced, a year at a time, until it reached the present old age security retirement age of 65 in 1970. This fact should be borne clearly in mind when looking at suggestions to reduce retirement age to 60. The payment of OAS benefits as early as age 65 has been available for only seven years.

Also in 1966 the Canada Pension Plan came into effect. This compulsory and contributory pension plan, which covers virtually every Canadian wage earner, has grown increasingly important as a source of present and future retirement income. The maximum new CPP retirement benefit payable in 1977 is $173.61 per month, and consequently exceeds the current Old Age Security benefit of $141.34 per month.

Two points underlying the introduction of the Canada Pension Plan and most relevant to this motion should perhaps be made at this juncture. The first is that the Canada Pension Plan was designed as a pension scheme whose ultimate retirement benefit would be related to the contributor's lifetime earnings, and which would be funded by the contributions of its membership. It was realized that living costs vary greatly between urban and rural areas as well as between different regions in Canada. The income which Canadian people needed, if either retirement, death or disability of the head of the family were to remove the regular source of income, was related in part to the level of earnings to which they had become accustomed. Thus, what underlay the creation of the Canada Pension Plan was an understanding that adequate levels of pension could not realistically be achieved in a country like Canada simply by increasing the flat rate OAS pension indefinitely. That understanding is equally applicable today in considering this motion.

The second point that should be made about the Canada Pension Plan is that it was not intended to provide all the retirement income which Canadians might wish to have, even in conjunction with the Old Age Security pension. Rather, the Canada Pension Plan and the Old Age Security Act were seen as providing the first two layers in a three-tiered retirement system. The first tier, the flat rate Old Age Security pension, provides a base on which the second tier, the earnings related

Canada and Quebec Pension Plan benefits, is built. Together with the guaranteed income supplement, these benefits ensure a minimum amount of income which adequately provides for the basic needs of the individual on retirement. The third level of the system is the additional income available through private pension plans, registered retirement savings plans, investments or other sources, which can be seen as providing whatever supplementary margin of comfort the individual might require.

The suggestion that Old Age Security benefits be raised to $250 should therefore not be looked on as a recommendation that Canadian pensioners should be provided with a retirement income of $250 per month. Rather, it is a recommendation that the over-all benefits for pensioners from a three-tiered system of retirement income should be increased, by an amount which would vary between about only $10 and $110. This variation, by the way, comes as a result of the suggestion in the motion that the other income support programs embodied in the OAS program be dropped. These income support programs are the guaranteed income supplement and the spouses' allowance.

The guaranteed income supplement, or GIS, was introduced in 1967 very shortly after the Canada Pension Plan came into being. The maximum benefit under this program was originally set at $30 per month during the first year of the program and 40 per cent of the OAS pension for subsequent years. An income test was applied to the benefits, and provided for reductions of $1 for every $2 of extra income, excluding Old Age Security benefits for a single person. For a married couple the reduction was $1 for every $4 of family income.

GIS was originally intended to be a transitional program which would gradually be phased out as the Canada Pension Plan took effect. The supplement was therefore made available only to persons born before December 31, 1910, that is, to persons who were over 55 years of age at the inception of the CPP and who would therefore not have an opportunity to build a full ten-year CPP benefit before reaching age 65.

It was felt that those who did have an opportunity to build a full CPP retirement pension would have less need for such a supplementation program. However, in practice this has not proved to be entirely the case. Some persons, housewives, for example, are not directly covered by the Canada Pension Plan or only become entitled to a small CPP pension on retirement. The guaranteed income supplement proved to be of great value in providing income only for those retired Canadians who were most in need, without placing an inordinate burden on the Canadian taxpayer. Consequently the supplement was made permanent in 1970, and since then has been expanded and improved. The maximum GIS benefit is now $99.13 per month, which is more than 70 per cent of the current Old Age Pension.

I should emphasize the value of this program, since it is implicit in the motion which we are discussing that the guaranteed income supplement would be eradicated and, in effect, replaced by a very large increase in the flat rate OAS benefit. The replacement will cost vastly more, and will mainly benefit those whose income is already large enough that they do not qualify for a substantial amount of supplementation. I would note that the suggested benefit level would raise the income of a single person now receiving the full supplement, by less than $10. Such a pensioner already receives $240.47 per month as of January 1, 1977. With the pension being indexed, this may well go over $250 in the near future.

It is clear that the member's proposal fails to bridge the income gap between those who depend on OAS benefits and those who have other means. On the contrary, a retired Canadian who formerly received the guaranteed income supplement would suddenly find that his income, relative to that of other pensioners with large CPP or private pensions, has dropped sharply. The existence of GIS has, in effect, been a recognition that those who had no opportunity to contribute to CPP have made a contribution, perhaps in other ways. We should not be overly hasty in removing this recognition simply in order to provide some pensioners with more money.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, would the hon. member permit a question?

The Acting Speaker (Mr. Ethier): Does the hon. member have permission to put a question to the hon. member for Halton (Mr. Philbrook)?

Mr. Philbrook: Mr. Speaker, I would prefer to leave it to the end, if I may. I have only a few more remarks to finish off.

These remarks would apply equally to the spouse's allowance, which is also an income tested benefit, and which was made a part of the old age security program in 1975. The spouse's allowance provides a benefit for spouses, between the ages of 60 and 65, of persons in receipt of old age security benefits. The maximum amount of the spouse's allowance is equal to the basic old age security benefit plus the maximum guaranteed income supplement at the married rate.

This program, like the guaranteed income supplement, was introduced in recognition of the special needs of a particularly vulnerable segment of the retired population. Married couples are more often than not several years apart in age. Consequently, it will often happen that the major or only wage earner in the family will reach age 65 and retire, or be forced to retire, but the spouse, being several years younger, is not yet entitled to OAS or GIS benefits. This situation meant that many retired couples were having to struggle along for several years on a single old age security pension and a single guaranteed income supplement payment before the other spouse finally became eligible for OAS and GIS benefits.

• (1640)

On the other hand, many couples are not placed in financial difficulty through differences in their ages. We can imagine, for instance, a family with a single wage-earner where the spouse who works at home has reached age 65, while the wage-earner is several years younger and is still working. This couple has not retired in any sense of the word and should not be given any special benefits. It is for reasons such as this that benefits like the spouse's allowance are income-tested.

To show what can happen with an inflexible and monolithic approach we could imagine for the moment that the suggestions made by the hon. member for Winnipeg North Centre have been adopted in full. Suppose now that the major wage-earner in the family reaches age 60 and retires. Again this may very well be a compulsory retirement, if past experience with lowering retirement ages is any indication. If the spouse at home is a few years younger, we have recreated the same problem five years earlier. The government of the day would have the alternatives of ignoring the same very serious problem which this government felt it could not disregard, or of reintroducing the income-tested spouse's allowance, payable now at age 55. Therefore you are back to square one.

With the introduction of the spouse's allowance, the current spectrum of public retirement pension programs is virtually complete. However, there are a number of major benefit improvements which have also occurred in the past few years which are relevant to this motion.

May I mention them briefly, without going into detail? I am thinking of measures for indexing OAS and CPP introduced in 1967. These programs have been indexed quarterly since 1973. I think also of the periodic quantum jumps in these benefits which took place in 1970, 1972 and 1973 and of the elimination of qualifying tests with regard to CPP in 1975. As the minister has announced, the government plans to introduce a new bill providing for reciprocal agreements with other countries for pension plans and payments.

As a result of the many improvements in benefits for the aged in recent years, some of which I have described, the elderly are now guaranteed income levels which often exceed those guaranteed to other deserving groups such as the disabled, the retarded, certain single parent families, and the working poor. Could we in all conscience direct the very large amounts of additional funds which these proposals would entail entirely toward increasing benefits to the elderly, without considering whether, with the limited resources available for income security, we should not be directing our attention to the needs of these other groups?

In closing, may I congratulate the hon. member on introducing this motion for debate.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask my question now?

Mr. Philbrook: Yes, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, does the hon. member not realize that in my motion I did not ask for the eradication of the supplement? I asked for the removal of the means test on it. Since that is the basis of my motion, would it not make quite a difference to the hon. member's argument?

Mr. Philbrook: I am not sure, Mr. Speaker, if that point was clearly defined in the motion. It is valuable to have it noted. I can only say that the hon. member's suggestion would raise total payments under our pension program to higher levels and impose an increasingly difficult tax burden. I think it is worth making that point clear.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened with great interest to the hon. member who resumed his seat a moment ago, because I wanted to know if, in regurgitating ministerial speeches as reported for many years in *Hansard*, he would address himself to the thrust of the motion proposed by the hon. member for Winnipeg North Centre (Mr. Knowles) and tell the House why the basic pension figure mentioned by the hon. member for Winnipeg North Centre is not attainable in present day circumstances. He did not do that. Therefore the case made by the hon. member for Winnipeg North Centre has not been rebutted. If the hon. member made a case with respect to the figure mentioned, that case has not been answered.

Conversely, I listened carefully to my friend and neighbour, the hon. member for Winnipeg North Centre, to hear him justify the particular figure chosen, because we must all admit that it would entail a considerable increase. Unfortunately, I heard no figures relating to national economic expenditures of government and a whole host of other criteria which must be considered, which would justify and establish the figure the hon. member suggested.

Mr. Knowles (Winnipeg North Centre): My purpose was to establish the need.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I would not deny for a moment the figures brought forward relating to need. I am not arguing that point, but I am glad he raised it. That is why it was doubly incumbent for some spokesman on the government side to indicate why the hon. member's proposal cannot be adopted. But this has not happened.

I suggest that not one member of this House would say that if the figures proposed by the hon. member for Winnipeg North Centre are reasonably attainable, those amounts ought not to be paid to senior citizens of this country. But some members skirt round the issue. Some regurgitate ministerial speeches; some read answers to questions on the order paper. But I suggest that not one member of this House would say that we ought not to pay that amount if it could be established that, as a country, we can afford to pay it.

The hon. member's case must be made or rejected, otherwise this kind of debate degenerates to an auction, to a tendering contest.

Some further considerations deserve mentioning. I do not know if the $250 figure is right, if it ought to be $300, or more, or less. I do not know that; that is why I listened carefully to the debate in this House. I wanted to hear someone say that that figure is wrong. Yet nobody on the government side said that. I suggest that, in the face of the need demonstrated by the hon. member for Winnipeg North Centre, if the figure he mentioned is attainable, it ought to be paid. But it is important not to let this kind of debate degenerate into an auction.

We ought to address ourselves to the problems of this country's senior citizens, because there are problems. I talked

on the telephone yesterday to a senior citizen who says that the pension base is too low. Our older people say, "We like indexing; it is fine, but the figure upon which indexing is based is too low." Senior citizens are in favour of indexing. Some think it is wonderful. Although some of them deny it, I suggest that indexing is a great benefit for senior citizens. Yet, as I say, the base is low. They come to me and say, "Mr. Baker, I cannot pay my rent; I cannot pay the fuel bill; I am a proud person; I do not want to go on welfare." They say this to all of us in this House. I am sure that hon. members who represent senior citizens know that this is the case, that I am correct in saying these things.

All in this House applauded when we recently increased the Canada Pension Plan pay out. What happened when we increased that pay out? That increase was necessary by virtue of the ravages of inflation. I do not intend to sound partisan, because our inflation was out of control. No sooner had we granted an increase in the Canada Pension Plan than the provincial governments lopped off from their contributions an amount equal to the increase we had brought forward. Provincial departments responsible for social affairs put people back into positions they had previously occupied when they had suffered from the ravages of inflation running at 10 per cent, or more per annum. That is something we in parliament must attack if we are to walk out of this place with our heads high. We should be able to tell our constituents that we are doing something for the disadvantaged.

● (1650)

Why are we in politics? All of us, regardless of what side of the House we sit on, are here because we are concerned one way or another. Everyone of us wants this country to be a place where a senior citizen or a person approaching that age can have a sense of security. They do not now have a sense of security. It is better than it was, but they do not have it. Anyone who goes among senior citizens knows this.

We want this country to be for senior citizens just as we want it to be the land of opportunity for young people. We do not want our young people to be satisfied with the lowest common denominator. Surely we ought not to allow our senior citizens to be satisfied with the lowest common denominator either. There are some real challenges to us in social services legislation, not only in dollar terms but in the integration of that legislation. There is not a member of this House who does not support the spirit in which this has been advanced.

I want to say something else to the hon. member. I know he emphasized at the beginning of his speech the aspect of voluntariness in terms of retiring. He knows and I know, because we have discussed it, that there is bound to be in any system, even based on a voluntary acceptance of it, an encouragement to people to opt out of their professions and jobs because there is an opportunity for them to do so. I would not deny them that opportunity, but I think there can be a denial of their expertise, training and wisdom to the country. The country needs them.

My father, who died a year ago on March 5, was a druggist in a small town. My mother, my brother and I tried to persuade him to stop working because he was getting old. He said to me, "What would I do? I could work in my garden for a while. I could look after my wife, but how am I going to stay in the mainstream of life? Who is it that can face me and encourage me to leave the mainstream of life?" That is what we may be doing with this motion. We finally talked him into selling his small business. The only term and condition upon which he would sell was if his nephew, who bought it, would allow him to work in it. He worked out his days until he was stricken and died, but he contributed.

In many ways we are looking at the wrong end of this spectrum. We ought to be encouraging people to work. We let judges sit until they are 75, and very few of them retire before that time. Why? Because they have something to contribute.

I went to a senior citizen's meeting at the Nepean Sportsplex. Good friends of the hon. member for Winnipeg North Centre were there. We discussed the problem of how to involve them in the community in a big way. The hon. member's good friends, and he knows who I am talking about, came to me and said that they want to be involved.

I looked over that group. There were retired statisticians, businessmen, professional men, teachers, nurses, all people who want to contribute. We have come to the point where we look for people going out of the work force instead of working and searching for policies that will widen the opportunities for people to go into the work force. We sometimes see the wrong end of the problem.

I do not want the hon. member for Winnipeg North Centre to feel that I oppose his motion, because I do not.

Mr. Knowles (Winnipeg North Centre): Do you support it?

Mr. Baker (Grenville-Carleton): I would be quite prepared to sit down and allow this matter to come to a vote. I hope that happens. At least this matter would get to a committee where we could study it in depth, rather than in the bowels of the bureaucracy, and then be presented with a bill, white paper or orange paper. It could be discussed openly. People could come before a committee of this House to discuss their problems in terms of retirement and pensions. We who are younger and try to impose things on older people could have the benefit of advice from those upon whom we might wish to impose programs. That is the problem with this place.

I am going to sit down in the hope that this matter can and will be resolved in this House today.

Some hon. Members: Question.

Miss Aideen Nicholson (Trinity): Mr. Speaker, the hon. member for Grenville-Carleton (Mr. Baker) has asked for costs. Well, I have some costs. Unhappily, in the two minutes remaining there will not be much time to put them on the record. I reckon that at a minimum in the first year of operation the program proposed by the hon. member for Winnipeg North Centre (Mr. Knowles) would cost $1.5 billion.

The recommendation is for a program without a means test. That means there is no guarantee that the increase in benefits

would go to those who need them most. The people whose plight the hon. member—

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. The hour appointed for the consideration of private members' business has expired. It being five o'clock, this House stands adjourned until 2 p.m. on Monday next, pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, February 7, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT ADMINISTRATION

SUGGESTED RESTRICTION ON USE OF AGENTS BY CROWN CORPORATIONS—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise under a matter of vital importance to this nation. In view of the ongoing debate on the mystery surrounding agents used by Atomic Energy of Canada Limited in selling atomic reactors to other countries, and in view of the fact that the minister responsible for this agency says after all these months he is still in the dark about who gets what as agency fees in those export sales, and because there seems to be a direct contradiction between the statement of the Banca della Swizzera Italiania on the role of its subsidiary, Intercontinental General Trading Establishment, in the sale of the Canadian atomic reactors to Argentina and that of the president of AECL before the Standing Committee on Public Accounts, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That the major officials of the Crown corporations and indeed of all federal Crown corporations, engaged in selling products or services, be required to take an oath of office upon accepting their position that they will not make any payments of taxpayers' funds that the minister responsible to the House cannot account for to parliament.

Mr. Speaker: Such a motion pursuant to Standing Order 43 can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AGRICULTURE

SUGGESTION GOVERNMENT HOLD FEDERAL-PROVINCIAL CONFERENCE TO SET STANDARDS FOR MEAT INSPECTION—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion concerning an extremely important matter.

Considering that present regulations governing slaughterhouses differ depending on which permit they operate under, either Canada Approved or Quebec Approved, and that this may create problems for the management of such business as well as a certain confusion among consumers, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House strongly recommend to the government of Canada calling a federal-provincial conference of agriculture ministers of the federal and provincial governments to agree on standard regulations for the classification of meats and the general operation of slaughterhouses.

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

* * *

● (1410)

[*English*]

PENSION ACT

PROPOSAL TO PROVIDE COMPENSATION TO WORLD WAR I PRISONERS OF WAR SIMILAR TO THAT PROVIDED WOLRD WAR II PRISONERS—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave under the provisions of Standing Order 43 to present a motion concerning a matter of urgency, to be dealt with by the minister concerned when he returns to the House, as we hope, in a few days. I therefore move, seconded by the hon. member for Timiskaming (Mr. Peters)—

Some hon. Members: Oh, oh!

An hon. Member: Stanley, are you lost for words?

Mr. Knowles (Winnipeg North Centre): I am sorry, Mr. Speaker. I had the motion mixed up with other amendments which are to be moved later this day.

I move, seconded by the hon. member for Timiskaming:

That this House urges the Minister of Veterans Affairs to introduce the necessary amendments to the Pension Act so that the compensation for prisoners of war provided therein will apply to the limited number of Canadian veterans still living who were prisoners of war during World War I, as it does to those who were prisoners of war during World War II.

Mr. Speaker: Order, please. Such motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN BROADCASTING CORPORATION

SUGGESTED REDUCTION OF FUNDS PROVIDED TO CORPORATION—MOTION UNDER S.O. 43

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, may I seek permission to move a motion under Standing Order 43? In view of the Prime Minister's (Mr. Trudeau) remark last week, when asked why he did not do something about separatists in Radio-Canada, that it was "one of the most impossible tasks I've ever tackled. What can I do?" I move, seconded by the hon. member for Timmins (Mr. Roy):

That the government immediately reverse its decision to increase the budget of the Canadian Broadcasting Corporation next year by $50 million, to a total of $466 million, limit the increase to 7 per cent or $30 million, use part of the funds thereby released to return to medical and scientific research the funds that were withheld last year for reasons of restraint, and use the balance of these released moneys for other desirable programs such as widows' pensions for veterans whose disability pensions are 48 per cent or less.

Mr. Speaker: Order, please. Pursuant to Standing Order 43, such motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Paproski: We didn't hear anyone say no. Gus MacFarlane, did you say no?

Mr. MacFarlane: Yes.

ORAL QUESTION PERIOD

[*English*]

ANTI-INFLATION PROGRAM

POSSIBILITY OF RENEWAL OF AGREEMENTS WITH PROVINCES—COMPOSITION OF GROUP MEETING WITH PROVINCES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. As the Minister of Finance has managed to maintain simultaneously both that economic conditions are favourable at the present for an end to controls and that the decontrol process may not begin for another year, would he now try to make some contribution toward clarifying his position? First, can he tell the House whether he will ask the provinces to renew their anti-inflation program agreements when they expire this April; and, if he will ask for a renewal, can he tell the House for how long a period he will suggest that the contracts ought to be renewed?

[Mr. Knowles (Winnipeg North Centre).]

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have asked the provinces to continue their participation. In the meantime a group representative of several government of Canada departments will be calling on the provinces for the purpose of discussing the provisions which we set before the meeting last week and seeking their support in particular for a general agreement in which the private sector would participate to restrain inflationary expectations after controls.

Mr. Stevens: A supplementary question, Mr. Speaker. In view of the minister's reference to a group to be sent forth, and his statement on the CTV program "Question Period" last weekend that "in the case of provincial governments we'll be proposing to send out contacts at the official level, to pursue in more detail our proposals," may I ask the following question? Will the minister indicate how many contacts will be sent forth, who they will be and what will be the nature of their briefing prior to their going forth to meet, presumably, with their provincial counterparts?

Mr. Macdonald (Rosedale): Mr. Speaker, each of the provinces will be visited by the group representative of the Anti-Inflation Board, my department and the Department of Labour. The principal reason, of course, will be to speak to the provincial governments as a follow-on to the meeting last week to see what their preferences are with regard to the decontrol and post-control period, the provinces having asked for the opportunity to consider the proposals I put to them last week.

ALLEGED LACK OF PROPOSALS FOR POST-CONTROL PERIOD

Mr. Sinclair Stevens (York-Simcoe): As more than one provincial treasurer was disappointed in the substantial lack of planning shown at the federal level at the meeting last week with provincial treasurers, and considering that provincial economic policies will require adjustment to a decontrol economy and other fiscal positions, wage negotiation strategies and other decisions relating to the pricing of government services, does the minister concede that it will be exceptionally difficult for the provinces to prepare their economic plans until the minister makes some public proposals which will fill the policy vacuum left by his indecision and vacillation in these important areas?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we see one side of a tactic. If I had put forward definitive proposals for bringing it to an end, ending all federal control, undoubtedly the hon. member and many of the provincial ministers would have condemned me for having presented the provinces with a *fait accompli*.

Mr. Stevens: That is how you brought in controls.

Mr. Macdonald (Rosedale): I might point out to the hon. member that we brought in controls after the request of the

provincial premiers and direct consultation with them about this.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Since controls were introduced after that consultation, it seems to make ample good sense to remove them after consultation with the provinces. We hope that the provinces will pay close attention to the options available so that we may introduce them in the decontrol and post-control periods.

REASON FOR SUGGESTING DECONTROL NOW—POSSIBILITY OF CONTINUING HIGH LEVEL OF UNEMPLOYMENT AND NO GROWTH

Mr. James Gillies (Don Valley): Mr. Speaker, considering that the minister said on January 24 at the Canadian Club in Toronto that "we need to see further progress in reducing the rate of inflation" before ending controls and then one week later on February 1 said that there now seems to be a green light for decontrol, what has happened in the economic situation which now leads him to believe this is a proper time to go ahead with decontrols?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, unfortunately the hon. member is not quoting fully the speech I made in which I said that the general economic climate would appear to favour decontrol but the ambiguous and difficult thing is that there is not that reduction in expectations necessary. If we can get a commitment on the part of all the major decision makers in the community to restrain expectations after controls come off, indeed we could look to do so at an early date. If we fail to get that then of course controls will have to continue through the end of this year into the next.

Mr. Gillies: As well as the minister's suggestions on January 24 and February 1, the minister also said, adding to the confusion of the situation, that perhaps controls could last well into 1978, does the minister believe, seeing that he has now said that the situation in economic terms is favourable for decontrol, we will have precisely the same economic conditions in 1978 as we have today?

Mr. Macdonald (Rosedale): Mr. Speaker, one cannot be certain of that, but there would be indications that we would not have as, for example, the United States had in the year 1973-74, that severe pressure of demand that made it so difficult for the Americans to withdraw from the controls. Naturally, the economic situation may change over time. That is all the more reason that, not only the provinces, but the business sector and the union movement should agree on participating with this government in effective decontrol and post-control measures so that we can indeed take advantage of getting controls off as soon as we can.

Mr. Gillies: Is the Minister of Finance suggesting in his answer that Canadians can look forward, through the balance of this year and into 1978, to continuing high levels of unemployment and no economic growth? Are these the implications of the remarks the minister is making at the present time?

Mr. Macdonald (Rosedale): No, Mr. Speaker, and the hon. member knows that is not true.

* * *

● (1420)

STATISTICS CANADA

GOVERNMENT POSITION ON NEW METHOD OF COLLECTING STATISTICS ON UNEMPLOYMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Since Statistics Canada excludes from its determination of monthly unemployment levels all those who have not looked for work since leaving their last job, and since such a method seriously understates the real level of unemployment in Canada, particularly in regions of persistently high unemployment, will the minister undertake to investigate this situation immediately and bring forward a new method of collecting unemployment figures which more accurately reflects reality?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I already considered this matter and communicated with Statistics Canada. Of course, the question of the scientific methods of assessing the unemployment level in Canada is extemely complex and I think we can argue at length on that matter. The hon. member might think that the questions are not put in a satisfactory manner, but a large part of the Canadian public also think that the questions are put so as to reflect a higher unemployment rate than the actual rate. This matter may be debated at length. I took note of the hon. member's recommendations, which I already transmitted to Statistics Canada, but so far they have not told me they intend to change their method.

[*English*]

Mr. Broadbent: Since the inclusion of the 450,000 who left the labour force because they were either fired or laid off during 1976 would have boosted the national average rate of unemployment to 11 per cent as against the official rate of 7.1 per cent, would the minister not do something more than he has just indicated he has done, which, if I understood him correctly, was simply to communicate his interest in this subject to his officials? Would he go beyond this and make a recommendation to his officials to include such people in the official data so that when we get the monthly figures we would know more accurately where we stand with reference to this serious human problem?

[*Translation*]

Mr. Chrétien: Mr. Speaker, this is not a very simple proposition. We must look at both sides of the medal. For example, many people refuse jobs which do not meet their requirements.

I believe this is an extremely complex technical question. The hon. member cannot look at only one side of the medal, he must also consider the other. Although I am not an expert in that field, I think the Statistics Canada has shown in the past a great expertise in this regard. Several countries seek information from our institutions with the hope of getting statistics as good as those Canada now has.

* * *

[*English*]

MANPOWER

CANADA WORKS PROGRAM—SUGGESTION NEW CRITERIA BE USED FOR ALLOCATING FUNDS

Mr. Edward Broadbent (Oshawa-Whitby): Since I have obtained no commitment whatever from the minister to do anything about this situation I will refer my last question to the Minister of Manpower and Immigration. In view of the fact that the inclusion of the 450,000 men and women to whom I have referred would bring the number of Canadians out of work for 1976 to a total of more than one million, and since the regions of persistently high unemployment are those most adversely affected by the present method of presenting data, which distorts the real unemployment figure, I ask the minister responsible for a variety of job creation programs which are dependent on the official statistics whether he will undertake an immediate revision of the criteria he now uses when allocating funds for job creation and adopt new criteria by the end of the week?

Hon. Jack Cullen (Minister of Manpower and Immigration): Here again, we have Broadbent's Bureau of Statistics. There are great distortions in his figures as well. In point of fact, we do know where the high levels of unemployment are and we know that the funds are being directed to those areas with increasing emphasis; there were some changes I thought necessary in the criteria for the Canada Works and the Young Canada Works programs. I welcome input from the hon. member. I have yet to hear from his or from any member of his party as to how things might be improved.

Some hon. Members: Oh!

Mr. Cullen: They have yet to take up my invitation to discuss the matter with my officials and examine the criteria, but if they have any suggestions I shall be happy to look at them.

* * *

[*Translation*]

PENITENTIARIES

CONSTRUCTION OF NEW FACILITIES IN QUEBEC—GOVERNMENT POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Solicitor General.

[Mr. Chrétien.]

Over the weekend, information media reported that the government plans to build four federal buildings to be used as penitentiaries in Quebec. Can the minister tell the House whether the construction of those penitentiaries is due to the fact that the number of clients in that field is increasing or to the fact that buildings now used to this end have become so dilapidated as to be non-usable?

Hon. Francis Fox (Solicitor General): Mr. Speaker, of course we have across Canada a penitentiary building construction program which takes several factors into consideration. One of these is the federal government's wish to finally close down some old institutions and, seeing the hon. member speaks of the province of Quebec, one of the reasons why we wish to build additional facilities is to allow us to close down what is commonly known as the "old pen". As the "old pen" has cells for over 400 prisoners, and as we intend to build new prisons taking into account the most modern concepts of penal science, we intend to build institutions for a maximum of 185 to 200 inmates. Now, the wish to close down the "old pen" at St. Vincent-de-Paul in addition to the need to face the increase in the number of prisoners, which goes up by about 3 per cent each year but which last year in Quebec went up by almost three times the national average, force us to build new penitentiaries in that area.

Mr. Lambert (Bellechasse): Mr. Speaker, may I ask a supplementary question?

Given his positive answer, could the minister tell the House which sites and locations are being considered for the erection of these buildings and also how many inmates each one of these buildings will house?

Mr. Fox: Mr. Speaker, we are considering buildings which would house around 185 inmates in medium security penitentiaries and about 196 inmates in maximum security penitentiaries. Concerning the selection of sites where these penitentiaries will be erected in Quebec, we are now considering a whole list of possible locations and I hope to be able to make a final decision in four to six weeks from now.

Mr. Lambert (Bellechasse): Mr. Speaker, I would like to put a further supplementary to the minister.

Considering the affirmative answer of the minister and the fact that the media have already made public the sites selected for these buildings, can he tell the House whether this information was correct or it was only speculation?

Mr. Fox: Of course this was speculation, Mr. Speaker, because none of these sites has been definitely completed.

[*English*]

Mr. Speaker: The hon. member for Yukon on a supplementary.

Some hon. Members: Hear, hear!

Mr. Chrétien: Welcome back, Erik.

POSSIBILITY OF DELAYING DECISION ON SITES OF NEW INSTITUTIONS PENDING REPORT OF COMMITTEE

Mr. Erik Nielsen (Yukon): I am never at home any more and I am never in the House any more. Mr. Speaker, my supplementary question is for the Solicitor General. In his reply to the hon. member who preceded me, he said that he would be making decisions in four to six weeks with respect to the locations of several new institutions in the Canadian penal system. Will he inform the House whether it is his intention to delay the making of those decisions until after receiving the report of the sub-committee investigating penitentiaries, which has kept me and a good many other members of the House busy since last October?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, the penitentiaries mentioned by the hon. member are part of a program which was initiated a long time ago by my predecessor, because he had to face an extremely urgent need for cells in several areas in Canada. We intend to proceed with a few of these programs, considering that the decision to do so will not be affected in any way by the report of the committee which deals, of course, with a whole range of other matters.

* * *

● (1430)

[*English*]

REGIONAL ECONOMIC EXPANSION

PRINCE EDWARD ISLAND—DATE OF SIGNING DEVELOPMENT AGREEMENT—NATURE OF EXPENDITURES

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. With reference to the remarks of the premier of Prince Edward Island a few days ago when he indicated that agreement has been reached on the funding for the next year or two of the P.E.I. development plan, I wonder whether or not the minister can give us a firm date of the actual signing of this next funding agreement for the amount of $30 million, and also whether there will be at the time of the signing a more complete explanation of the nature of the expenditure of funds in the next period, particularly taking into account some of the criticisms that have been made within P.E.I. about public participation and the particular economic needs of this area in terms of high energy costs and probable seasonal unemployment?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I do expect that the agreement covering the funding for the last three years of phase II of the Prince Edward Island development plan might be signed within the next few weeks. As to the series of questions asked by the hon. member, I would say, Mr. Speaker, that I would have to make a rather lengthy statement to cover all the points he has mentioned. But I could take the first opportunity to do so. Should the hon. member wish to meet me personally to pursue the conversation, I am always at his disposal.

[*English*]

Mr. MacDonald (Egmont): As I am sure the minister is well aware, on the original signing in 1969 there was a very complete explanation of the plan to the people of Prince Edward Island and the people of Canada generally. In view of the fact that many unanswered questions existed after the signing of the second phase in 1975 at which the minister participated, and in view of the considerable funds yet to be expended both by provincial and federal governments, can the minister assure the House that there will be a detailed accounting of the funds that are to be expended either in the next year or the next three years as well as some specific reference in dollar amounts as to where these funds will be expended in terms of the basic sectors of development in P.E.I.?

[*Translation*]

Mr. Lessard: Mr. Speaker, I will try to provide the hon. member with as many details as possible with regard to expenses and amounts which will be allocated to various sectors of the economic activity in the island, according to the agreement which has been signed. It is very detailed and I think the hon. member might be satisfied with it.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

INQUIRY WHETHER BREAK-IN AT PRAXIS INSTITUTE, TORONTO, WAS INVESTIGATED—REASON STOLEN DOCUMENTS NOT RETURNED

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Solicitor General. In light of the fact that it is now clearly established that the security services of the RCMP used as the basis for the evidence which they turned over to the Solicitor General in 1971 materials which were stolen from the office of Praxis Institute in Toronto, can the Solicitor General inform the House today whether he had any discussions with the RCMP to determine whether the break-in was investigated at the time or whether an inquiry will commence now to establish who the thieves were and what their motivation was in carrying out this selective burglary?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I think the hon. member is fully aware that if it is a criminal offence committed in the province of Ontario—and from what he said it did happen in that province—needless to say the investigation, if there is to be one, must be conducted by the Ontario attorney general, in a well understood federalism.

[*English*]

Mr. Oberle: Mr. Speaker, since the section of the security service of the RCMP does not operate under any jurisdiction other than that of the minister's own department, can the minister undertake today to initiate discussions with the

RCMP to at least determine one of two things: after the RCMP had assumed responsibility for the stolen documents, why did they not take the obvious action, namely, to incarcerate the people who were accused of subversive activities within our country, or else inform the Praxis Institute that these materials had been found and return them to the institute?

[*Translation*]

Mr. Fox: Mr. Speaker, it goes without saying that the hon. member assumes certain facts and that the RCMP practice is not to confirm or deny the existence of sources, no more than the hon. member was reluctant to provide me in the House with the names of people who sent him documents which were illegally leaked out.

* * *

[*English*]

MANPOWER

CANADA WORKS PROGRAM—REASON LIBERAL RIDINGS IN BRITISH COLUMBIA RECEIVED BULK OF FUNDS

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that 7 of 10 ridings in British Columbia receiving the bulk of Canada works grants are held by Liberals, would the minister tell the House whether that is by accident or design?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, if it had been by design, I would have done a much better job. But I commend to the hon. member one of the better reports on this distribution written by Mr. Ken Pole in the Ottawa *Journal*. If the hon. member reads the article he will find that it spells out the matter so that the hon. member would be able to understand.

Mr. Whittaker: In view of the unemployment rate in the Okanagan-Boundary of 20 per cent, the third highest populated riding in British Columbia, and in view of the fact that this riding is receiving $198,000 in Canada works grants while the riding of Vancouver Centre is receiving $514,000 although it has a much smaller population, can the minister tell the House what the rate of unemployment is in Vancouver Centre?

Mr. Cullen: As I indicated to the hon. member, I am having both his riding and the riding of Cape Breton-The Sydneys checked out because it appeared to me there was an anomaly and I wanted to find out not only what unemployment figures were used but other factors as well.

Some hon. Members: Oh, oh!

[Mr. Oberle.]

FISHERIES

SEALS—RESULTS OF MEETING WITH SWISS PROMOTER—MEASURES TO PROTECT THE HUNT

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Fisheries. Can the minister report on the outcome of a meeting he had with a Swiss promoter on behalf of a group of international do-gooders who would interfere with the legitimate seal fishery off Canada's east coast? Can the minister tell the House what steps he intends to take to protect Canadian fishermen from these international do-gooders, and has he warned some of these people that they could in fact be mistaken for harp seals?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I might not join the hon. member in his use of colourful adjectives. However, I did try to explain to the gentleman in question and to his groups the scientific data on which this management decision was based. I did not detect in them great interest in that matter. It seemed that the group in question decided that animal killing is forbidden only for seals but not for any other species of animals which are killed for our use as meat or clothing.

As for the matter of offering money for the seals, I said that this was a matter for the fishermen themselves to decide. If they prefer to receive money rather than go to the seal hunt—which is a very dangerous occupation and at which some of them lose their lives—it is a decision for the fishermen themselves. I made it clear that the rules and regulations governing the hunt would not condone interference with honest-to-goodness efforts to earn a living, which is what the fishermen in Newfoundland and Magdalen Islands are doing. I tried to establish the facts, and I hope that this parliament will accept and the press will report those facts as they are.

Some hon. Members: Hear, hear!

SEALS—STATUS OF CHARGE OF INTERFERENCE WITH HUNT AGAINST BRIAN DAVIES

Mr. James A. McGrath (St. John's East): I thank the minister for his reply. What concerns me is the incomplete litigation of the federal government with regard to the incident at the hunt last year and the impact that that could have on these people who would probably try to repeat the performance this year. Can the minister tell the House what steps the government intends to take to prevent this kind of harassment of a legitimate Canadian industry which is probably one of the most humane in the world?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): It is possible the hon. member might have been absent when my colleague, the Minister of Justice, indicated that we were appealing the decision of the court in Newfoundland. Obviously, the matter of the Canadian jurisdiction in the 200-mile zone in relation to the fisheries matters has to be reaffirmed. If the law is inadequate, I am sure the House will very quickly change it.

● (1440)

ENVIRONMENTAL AFFAIRS

KITIMAT PIPELINE—DATE OF PUBLIC HEARINGS AND PUBLICATION OF ENVIRONMENTAL IMPACT STUDY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to direct a question to the Minister of the Environment regarding the hazards which are inherent in having supertankers delivering oil to Kitimat in the event of the proposed pipeline being constructed, from Kitimat to Edmonton. In view of the fact that on February 2 at page 2640 of *Hansard* the Minister of Energy, Mines and Resources is reported to have said that the National Energy Board is concerned only with the landward side of the project and that he could not be sure that the environmental consideration will be taken into account by that body, I wish to ask the minister two questions: the first is when will public hearings be held in the area likely to be affected; and second, can the minister assure the House that the report of the interdepartmental committee looking into the environmental impact of this proposal will be made public prior to the public hearings being held?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I believe the hon. member is correct when he distinguishes between the actual pipeline and the seaward or termpols which we would have to put in. These facilities for the navigation of tankers are obviously a subject of discussion between the Department of Transport and my own department. We have indicated that we are in favour of public hearings to make sure that all the facts are on the record. We are now having discussions between departments as to what the parameters of these public hearings would be, and we are also looking for people who could undertake to direct these hearings. I hope we can get them going as quickly as possible.

* * *

ENERGY

KITIMAT PIPELINE—REQUEST FOR ASSURANCE ENVIRONMENTAL IMPACT STUDIES MADE PUBLIC BEFORE HEARINGS HELD

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my supplementary question is for the Minister of Energy, Mines and Resources. In view of the fact that this matter comes under divided jurisdiction and that not only has there been an application to the National Energy Board but I understand also an application has been made to the Canadian coast-guard services, I want to ask the minister if he is prepared to consult his colleagues, the Minister of Transport and the Minister of the Environment, to ensure that before the National Energy Board makes a decision with respect to the pipeline from Kitimat to Edmonton, the environmental impact study is made public and public hearings are held so that the people who are affected by this project may have an opportunity to make their representations.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I would be very pleased to give those kinds of assurances, assurances that the three ministers most concerned and identified by the hon. member do have an opportunity to assess the environmental question. I cannot give an assurance that the National Energy Board will hold up its report because we have perhaps found that the environmental risks have not been fully covered by environmental studies, but I can give the hon. member the kind of undertaking for which I think he is looking, and that is that no decision to proceed with the pipelines will be taken by the cabinet until such time as there has been a proper environmental assessment along with the National Energy Board assessment of the landward risks.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that the National Energy Board Act requires the National Energy Board to look into the matter of the environment, I want to ask the Minister of Energy, Mines and Resources how it is possible for the National Energy Board to make an intelligent decision regarding this pipeline without looking into the marine hazards which are inherent in having 350,000 ton tankers traversing a 60-mile route to Kitimat. Surely the environmental investigation ought to be made before the National Energy Board makes a decision and submits a recommendation to the cabinet.

Mr. Gillespie: As the Minister of the Environment has already made clear, there are really two different kinds of jurisdiction involved here, the landward side and the seaward side. However, I agree with the hon. member that both have to be considered, and no decision should be taken until both have been fully considered.

* * *

PENITENTIARIES

CONSTRUCTION OF NEW INSTITUTIONS—POLICY WITH REGARD TO HIRING OF TECHNICAL AND DESIGN PERSONNEL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in light of the answer of the Solicitor General to the hon. member for Yukon with reference to the building of penal institutions, I should like to ask the minister a further question. Will he advise the House if the design personnel and architects will be members of the public service, or will these technical people be hired from the private sector?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, a joint committee of my department has been set up to look into the whole matter and, of course if it is necessary to hire people outside, it will be done through my colleague, the Minister of Public Works. I am under the impression that, in some cases, it will be necessary to hire architects or professionals outside the public service.

[*English*]

Mr. Woolliams: The answer of the Solicitor General to the hon. member for Yukon seemed to imply that the matter is already in hand, and I believe there are people from the private sector already hired and engaged. Will the minister advise whether those jobs have been tendered or whether they are being handed out to friends of the government, and is any consideration being given to hiring those technical people from the locality where the institution will be built? For example, we were talking about an institution in Alberta near Calgary or other places in Alberta.

[*Translation*]

Mr. Fox: Mr. Speaker, the selection of professional people for the construction of government buildings is obviously a matter of policy which goes much beyond the scope of my responsibilities. It is a matter which, for all government works, comes under the exclusive jurisdiction of the Minister of Public Works who alone could answer my colleague's question.

* * *

BILINGUALISM

REQUEST FOR PROGRESS REPORT ON PROGRAM IN PUBLIC SERVICE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to put a question to the President of the Treasury Board.

Following the tabling of the Bibeau report on bilingualism in the Public Service, can the minister tell us whether the government has completed its study of that report and, if so, what is the reassessment of the validity or merits of that program in the Public Service? Can he tell us whether he has now drawn up some policies regarding a further review of certain positions in the Public Service? Can he or the Secretary of State tell the House whether at the present time a fairly large number of civil servants have been recalled from the language school half-way through the school year?

[*English*]

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, the full examination of the Bibeau report and other subsequent considerations with regard to policy have not yet been completed. This is being pursued very actively, and I anticipate that the government will be in a position to make a fairly comprehensive statement on the whole range of matters involved therein within the not too distant future.

[*Translation*]

RECALLING MEMBERS OF PUBLIC SERVICE WHO HAVE NOT COMPLETED COURSE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to put a final supplementary question.

Will the minister deny that there are at present guidelines in effect at the language school concerning the reassessment of the program and the progress made by civil servants? Every week, a good number of civil servants are being recalled before they have completed their course.

[*English*]

Hon. Robert K. Andras (President of the Treasury Board): Well, Mr. Speaker, major changes are not taking place at the present time. There may be what I would describe as relatively minor adjustments being made, but to my knowledge no major changes are taking place. However, that is not to deny that the over-all assessment and comprehensive examination of this policy may not bring about some more significant adjustments later.

Mr. Lambert (Edmonton West): Could you publish the guidelines as soon as possible?

* * *

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

REASON FOR REPLACEMENT OF MR. GÉRIN-LAJOIE AS PRESIDENT—POSSIBILITY OF ESTABLISHING SEPARATE MINISTRY FOR AGENCY

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Prime Minister. Given the extension Paul Gérin-Lajoie received last year as president of the Canadian International Development Agency, what was the reason for his replacement last Friday? Second, is consideration still being given to establishing a separate ministry for CIDA to establish a much firmer ministerial and parliamentary control over this billion dollar agency, and when will this announcement be made?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not expect to make any announcements in that regard. I hope members of parliament will feel free to ask the new president of CIDA any question they feel necessary, and I am sure they will receive great co-operation from the new president.

Mr. Roche: Was the criticism of the Auditor General that CIDA has "a serious internal control weakness" a factor in the replacement of the president? What instructions are being given to the new president to tighten CIDA's management operation so that public support for this important agency can be maintained?

• (1450)

Mr. Trudeau: To the first question, Mr. Speaker, the answer is emphatically no. To the second question, I have, and the minister has relations with the president of CIDA and we will indicate to him the ways in which we think he should be following government policy.

CHEMICAL CONTROL RESEARCH INSTITUTE

REQUEST FOR RE-EXAMINATION OF DECISION TO RELOCATE IN SAULT STE. MARIE

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question for the Minister of Fisheries and the Environment arises out of the proposed relocation of the Chemical Control Research Institute from Ottawa to Sault Ste. Marie. In view of the fact that considerable concern has been expressed by the governments of Quebec and New Brunswick and also by industry associations over the fact that this move will tend to diffuse the national flavour of this institute, and in view of the fact that the close ties established between CCRI and many government departments and agencies of government in this very important area will be broken, may I ask if consideration is being given to re-examining this move and are the objections that have been voiced by the two governments and the associations being taken into consideration?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I will undertake to look at the points made by the hon. member.

* * *

EXTERNAL AFFAIRS

GARRISON DIVERSION—POSSIBILITY SUBJECT WILL BE DISCUSSED BY PRESIDENT CARTER AND PRIME MINISTER

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the Prime Minister. Does the Prime Minister intend to place the Garrison irrigation project uppermost or high on his agenda for discussion when he meets with President Carter of the United States later this month?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the agenda itself has not been formally determined. The hon. member will remember that last time I met with the president of the United States, President Ford, I believe in December of the year before last, I discussed this subject with him and got certain assurances from him.

GARRISON DIVERSION—SUGGESTION CONSTRUCTION BE HALTED AND LONETREE RESERVOIR PROJECT RECONSIDERED

Mr. Jack Murta (Lisgar): A supplementary question, Mr. Speaker. I should like to ask the Prime Minister what assurances he got from President Ford at that time and if he believes that those assurances will be maintained by President Carter. I should like also to ask if he would urge a halt to the construction of the Garrison project affecting Canada specifically and immediately join in further consideration of what is called the Lonetree reservoir which affects the southern portion of Manitoba?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall make every representation which I believe is in the interest of Canada. I would just remind the hon. member that when I raised the question with President Ford there had not yet been a report made to the IJC. The hon. member is aware that that report has come out now and is before the IJC and is favourable to Canada. We are expecting that the IJC will accept the conclusion of the report.

GARRISON DIVERSION—PROPOSED TRUST FUND TO PAY FOR ALTERATIONS—ALTERNATE SOURCE OF WATER FOR PORTAGE LA PRAIRIE

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, may I put a supplementary question to the Prime Minister in regard to the Garrison diversion? As the United States government is proceeding with the Garrison diversion project and ignoring the $1,200,000 IJC study and report which calls for $50 million of alterations to stop pollution, and as the United States government is proceeding with work on the Lonetree and Velva canal sections of the project which will create pollution problems in Canada, I would ask the Prime Minister to negotiate with the president to place $50 million in a trust fund to allow for the alterations needed to the project and also that a timetable be established for the work necessary on such projects as the $6 million alternate water supply that will be needed for the city of Portage La Prairie?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is obviously drawing heavily on the report itself which was commissioned by the IJC and which the IJC is presently studying. The National Joint Commission was set up by both countries precisely to deal with such matters. I am confident that they will deal with them in an equitable way and favourable to the thesis in which hon. members opposite and ourselves believe.

* * *

THE CONSTITUTION

VIEW OF PRIME MINISTER ON GREATER POWERS FOR PROVINCES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, as the Prime Minister, in a news report last week, was reported to have stated that he would be happy to live with an 1867 constitution but would be willing to be flexible and give Quebec and other provinces greater powers, would he tell the House what his concept of these greater powers consists of?

Right Hon. P. E. Trudeau (Prime Minister): Some other time, Mr. Speaker.

* * *

ENERGY

GREATER USE OF RECYCLED PAPER TO CONSERVE ENERGY

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources. In view of the fact that hundreds of thousands of new Bell telephone directories and government of Canada

telephone directories were delivered in Ottawa recently, thus creating countless extra tons of waste paper because directories are not recyclable, may I ask that steps are being taken to ensure that government departments and industry will use more recycled waste paper with the resulting conservation of forest and energy resources?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I hope that other departments, governmental agencies and the private sector are following the lead of my department and using recycled paper for letterhead and using, if I may so describe it, the back of the sheet as well.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

DATE LANDING STRIP AT ROUYN AIRPORT WILL BE LENGTHENED

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to direct a question to the Minister of Regional Economic Expansion.

He is aware of the file concerning the Rouyn-Noranda municipal airport. He met the mayor of Rouyn, as I did, on this particular issue. Is the minister in a position to come to the point about the assessment of this file, and will he be able to announce shortly some good news about the lengthening of the runway?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I did receive representations from the authorities of Rouyn-Noranda. I met them twice, we discussed this project and the need for it, particularly about the airport. I hope to be able in the not too distant future to answer the authorities of that municipality and give them a report on the progress of representations I made on their behalf.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REASON FORCE DID NOT RETURN PRAXIS FILES AND INVESTIGATION NOT CONDUCTED INTO POSSIBILITY OF ARSON

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Solicitor General. In answer to a question put by the hon. member for Prince George-Peace River, the minister asked if he could have a name to follow up on some of these things. I wanted to give the minister the name of Peter Worthington, Editor in Chief of the Toronto *Sun*. This information about the disappearance of files from the Praxis Institute has been with the Solicitor General for just under a week. Can he advise the House why the RCMP held the files for some six years without returning the stolen property to the owner of those files?

[Mr. Clarke.]

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, as I indicated earlier today, the RCMP had absolutely nothing to do with the alleged disappearance of files at the Praxis Institute in Toronto, and it never had in hand any indication as to what persons might have been responsible for the fire mentioned by the hon. member.

[*English*]

Mr. Leggatt: Mr. Speaker, I am sure the Solicitor General would want to canvass that answer with Mr. Peter Worthington in view of his statement that he turned those files over to the RCMP. My supplementary question is this: following the fire at the Praxis Institute no inquiry was made under provincial fire laws in respect of arson in spite of the fact that arson was suspected. Can the minister advise if he has determined in his investigation whether the RCMP contacted any provincial authority regarding whether an inquiry would be held following that fire?

[*Translation*]

Mr. Fox: Mr. Speaker, obviously I am being asked in this House a question which ought to be brought to the attention of the attorney general of Ontario, namely why there was or was not an investigation following the fire. As for me, I am unable to answer the hon. member's question.

* * *

[*English*]

HEALTH

POSSIBILITY OF BANNING YELLOW DYE NO. 5—REQUEST FOR PROGRESS REPORT ON USE OF FOOD COLOURINGS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact that three food colours have been banned in the United States for certain uses but not banned in Canada, these being red dye No. 2, red No. 4 and carbon black, can the minister advise whether he plans to take any action on yellow dye No. 5 as new restrictions have been placed on this in the United States by the food drug administration?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, many chemicals which are banned in Canada are not banned in the U.S. and vice versa. In the specific case referred to by the hon. member, I shall have to check with my officials to see whether we intend to follow the decisions made in the U.S. or take another course of action.

• (1500)

[*English*]

Mr. Yewchuk: A supplementary question, Mr. Speaker. Has the minister any progress report to make to the House on the complete review he announced last October with regard to the Canadian policy on colours in foods, drugs and cosmetic products?

[*Translation*]

Mr. Lalonde: Not yet, Mr. Speaker.

* * *

[*English*]

MANPOWER

CANADA WORKS PROGRAM—DIFFERENTIATION BETWEEN STATUS INDIANS ON AND OFF RESERVATIONS

Mr. Cecil Smith (Churchill): Mr. Speaker, my question is for the Minister of Manpower and Immigration. According to a letter from the minister regarding Canada Works, separate allocations are made for status Indians on reserves. Can the minister describe the difference between unemployed status Indians living on or off the reserve?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, with respect, I think the answer is self-evident.

Mr. Smith (Churchill): A supplementary question, Mr. Speaker. I do not think that was much of an answer, considering that 2,137 status Indians living in remote areas will not qualify for Canada Works.

Mr. Speaker: Order, please.

* * *

INFORMATION

POSSIBILITY OF LEGISLATION TO PROVIDE CITIZENS WITH RIGHT OF ACCESS TO GOVERNMENT FILES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, may I direct my question to the Prime Minister? In view of the Prime Minister's recent statement confirming that there are government files on millions of Canadians, and since we have no legislation the intent of which is similar to that of the United States information act, legislation which would provide Canadians with access or the right of access to such files, is it government policy to correct this situation, or should Canadians in this respect be content with having lesser rights than Americans?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I for one, as a Canadian, would not admit that we have lesser rights than the Americans. They may have more abuses there and that is why, perhaps, they have to have corrective measures. I do not think the people suspect the RCMP of conducting themselves as the FBI do.

Mr. MacKay: A supplementary question, Mr. Speaker. I thank the Prime Minister for his answer and ask if he would consider introducing methods to improve the situation since, in the past, it has been necessary for Canadians to obtain information about their own country in the United States, under the information act?

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF RIDING OF HURON-MIDDLESEX TO HURON-BRUCE

Mr. R. E. McKinley (Huron-Middlesex) moved for leave to introduce Bill C-394, respecting the Electoral Boundaries Readjustment Act (Huron-Bruce).

An hon. Member: Explain.

Mr. McKinley: Mr. Speaker, this bill would change the name of my riding from Huron-Middlesex, as under the Electoral Boundaries Readjustment Act, to Huron-Bruce. I hope that arrangements can be made for passing this bill at all stages, along with others, in a private member's hour in the not too distant future.

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

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHMENT PROGRAMS FINANCING ACT, 1977

MEASURE FOR MAKING CERTAIN FISCAL PAYMENTS AND OF ESTABLISHED PROGRAMS FINANCING CONTRIBUTIONS TO PROVINCES, ETC.

Hon. Donald S. Macdonald (Minister of Finance) moved for leave to introduce Bill C-37, to provide for the making of certain fiscal payments and of established programs financing contributions to provinces, to provide for payments in respect of certain provincial taxes and fees, and to make consequential and related amendments.

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

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the following questions will be answered today: 133, 587, 839, 840, 930, 1050, 1051, 1145, 1161, 1238, 1276, 1326, 1361 and 1398.

[*Text*]

DEPARTMENT OF SUPPLY AND SERVICES—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 133—**Mr. Orlikow:**

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the

examination of the administration or internal operation of the Department of Supply and Services?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as the Supply and Common Administrations are concerned: 1. (a) Nil; (b) 10 contracts.

2. (1) H.G. Hunt, $14,000; (2) Pass Management Consultants Ltd., $28,500; (3) Thorne Riddell Associates Ltd., $17,000; (4) Peat Marwick and Partners, $5,000; (5) Stevenson Kellogg Ltd., $22,000; (6) E.A.C. Amy & Sons Ltd., $2,200; (7) Price Waterhouse Associates, $8,000; (8) Pass Management Consultants Ltd., $15,500; (9) Haskins and Sells Associates, $20,000; (10) E.A.C. Amy & Sons Ltd., $1,800; Total: $134,000.

3. Nil.

In so far as the Services Administration including the Receiver General for Canada is concerned: 1 to 3. The information is provided in answer to Question No. 587, answered this day.

RECEIVER GENERAL—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 587—**Mr. Orlikow:**

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programmes or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Office of the Receiver General?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. (a) Nil; (b) Three contracts.

2. (1) Peat Marwick and Partners, $8,350; (2) Peat Marwick and Partners, $2,032.30; (3) Barnet Data Systems, $1,281.70; Total: $11,664.

3. (a) $9,860; (b) $93,200.

WEST COAST WATER FREIGHT SUBSIDIES

Question No. 839—**Mr. Horner:**

1. For each year from 1970 to 1976 to date, how much money has been spent on the maintenance of water freight service on the Vancouver coast up to Prince Rupert?

2. Under what legislative authority, subsidy or grant do these amounts of money fall?

3. Are these amounts or subsidies now discontinued and, if so, for what reason?

Hon. Otto E. Lang (Minister of Transport): 1. Vancouver N.B.C. Ports, B.C. Subsidy: 1970-71, $503,000; 1971-72, $753,000; 1972-73, $753,000; 1973-74, $753,000; 1974-75, $2,545,159; 1975-76, $3,144,374; 1976-77, $2,186,625 (seven months).

2. Section 22(d) National Transportation Act.

[Mr. Orlikow.]

3. The subsidy was discontinued on October 31, 1976 when it was determined that alternative services could be provided with significantly reduced subsidy. The new arrangements provide a separation of passenger and cargo services which should result in greater efficiency. Cargo service is being handled by tug/barge systems which have virtually replaced conventional ships in the British Columbia coastal trade. Responsibility for passenger service along the coast has been accepted by the Provincial Government with limited financial support from the Federal Government.

MIRABEL AIRPORT—OPERATING COSTS

Question No. 840—**Mr. Horner:**

What is the cost of operating and maintaining Mirabel Airport since its opening to date?

Hon. Otto E. Lang (Minister of Transport): Costs of operating and maintaining Mirabel Airport, as well as revenues received, are as follows: 1. Operating and Maintenance Costs: December 1, 1975 to March 31, 1976: $8,338,000; April 1, 1976 to September 30, 1976: $11,091,000; Total, $19,429,000.

2. Revenues: December 1, 1975 to March 31, 1976: $3,201,000; April 1, 1976 to September 30, 1976: $10,970,000; Total, $14,171,000.

SHIPS CHARTERED TO CNR—NEWFOUNDLAND

Question No. 930—**Mr. McGrath:**

1. What are the names of the companies which chartered ships to CNR in Newfoundland in 1976 and were public tenders called in each case?

2. (a) What were the names of the ships (b) what was the amount and date of the charter in each case?

3. What was the daily and overtime rate in each case?

Hon. Otto E. Lang (Minister of Transport): The Management of Canadian National Railways advises as follows: 1. The following companies chartered ships to Canadian National Railways in Newfoundland in 1976 on a time charter basis for movement of freight to coastal points: NFLD. Marine Services Ltd., D. Frampton & Co. Ltd., The Lake Group, Topsail Shipping Co., Fogo Transport Ltd., Dorman Roberts, Puddister Shipping Co., J.B. Foote & Sons, Lake & Lake Ltd., Stena Line AB (Sweden). Tenders were called in each case.

2. (a) and (b) The names of the vessels and the dates of charter are listed below. It is not the practice of the Company to disclose the terms of arrangements with other parties. M.V. *Topsail Star,* 29/07/76; M.V. *Dunure,* 06/04/76; M.V. *Clyde,* 13/03/76; M.V. *Nfld. Coast,* 26/05/76; M.V. *Marine Transport,* 25/05/76; M.V. *Kloster,* 07/06/76, 07/10/76; M.V. *Marine Voyager,* 25/05/76, 24/11/76; M.V. *Ambrose Foote,* 01/06/76; M.V. *Prince Andrew,* 03/06/76; M.V. *Harry Lake,* 07/06/76; M.V. *Glencoe,* 29/07/76; M.V.

Marine Trader, 29/10/76; M.V. *Sarah,* 18/11/76; M.V. *Stena Nordica,* 01/05/76.

3. The daily and overtime rate of charter are considered privileged information between the owner and Canadian National Railways in that the bids were received in a competitive situation. In order to protect the ship owner's interest, this information is held in confidence.

CONTRACT FOR AIRPORT AND RUNWAY EXPANSION IN THE MARITIMES

Question No. 1,050—**Mr. Howie:**

What contracts have been executed for (a) airport building renovation or expansion (b) runway expansion or improvement in the Maritime Provinces since January 1, 1976 and, in each case, what amount is involved?

Hon. Otto. E. Lang (Minister of Transport):

Site	Airport building renovation	Runway expansion or improvements	Contractor	Date	Amount (000's)
Charlo	X		Atlantic Bldg. Contractors Ltd.	6/76	817.3
Charlo	X		LeBlanc & Cormier	1/76	3.9
Charlottetown		X	Flintkote Co. of Canada Ltd.	8/76	51.7
Charlottetown	X		New Haven Plumbing	9/76	2.4
Halifax	X		Blundon	4/76	38.0
Halifax	X		Carson Construction	8/76	207.0
Halifax	X		G & H Steel	4/76	305.8
Halifax	X		G & H Steel	6/76	7.1
Halifax	X		Altron	6/76	65.2
Halifax	X		Ocean Contractors Ltd.	4/76	172.0
Halifax	X		Furniture (various)	1/76	70.0
Halifax	X		Halifax Furniture Clinic	7/76	2.6
Halifax	X		Seaman-Cross Limited	4/76	3.0
Halifax	X		Air Canada	1/76	4.2
Halifax		X	Standard Paving Maritime Ltd.	6/76	42.5
Halifax	X		Blundon	4/76	32.6
Halifax	X		Donald J. MacEwen	7/76	9.4
Moncton	X		Parsons	6/76	439.0
Moncton	X		Edmonds Brothers	10/76	72.0
Saint John	X		John Flood & Sons Ltd.	6/76	13.2
Saint John	X		Edmonds Brothers	10/76	44.9
Saint John	X		Reimburse EPA	4/76	28.5
Sydney		X	Municipal Ready Mix Ltd.	8/76	14.5
			Total		2,446.8

DEFENCE PRODUCTION REVOLVING FUND LOAN

Question No. 1,051—**Mr. Bawden:**

Was an aircraft manufacturer loaned $6,000,000 in 1972 from the Defence Production Revolving Fund and, if so (a) what was the name of the company (b) for what reason was the company not named in the Public Accounts of Canada (c) what was the purpose of the loan (d) what were the terms of repayment (e) what was the interest rate?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) Canadair Limited. (b) It is not general accounting practice to disclose the names of commercial organizations unless such information is pertinent to the disclosure note. However, reference to the loan has been made each year without naming the company viz Defence Production Revolving Fund-Balance Sheet March 31, 1976 Note 4 Public Accounts Volume II, pages 25.12 and 25.13. (c) Working capital loan was provided to Canadair for the purpose of assisting the company to carry out defence contracts. (d) Loan was to be paid two years from the date the loan was made. The original repayment date was June 8, 1974. The repayment date was extended to June 8, 1975 and again to June 8, 1976. A joint submission from D.S.S. and IT & C to the Treasury Board requesting authority to extend the Loan until September 8, 1977 is in preparation. (e) The cummulative unpaid balance of the Loan will bear interest at the current prime bank lending rates applicable throughout the period.

COST OF ICEBREAKING SERVICES

Question No. 1,145—**Mr. Forrestall:**

1. What was the cost of icebreaking services for the (a) St. Lawrence River (b) Gulf of St. Lawrence (c) Arctic, during 1975-76?

2. In the best estimate of the government, for the years (a) 1974-75 (b) 1975-76, if the total cost of providing icebreaking services in the St. Lawrence River and the estimated cost of icebreaking services undertaken in the Gulf of St. Lawrence to aid winter navigation on the St. Lawrence River from Quebec City upwards, were fully recovered by cargo assessments, what assessments would have to be levied on each ton of cargo moving via the Ports of Quebec, Trois Rivières, Montreal, Contrecoeur and Sorel assuming that such costs were fully recovered from tonnage assessments on cargo moving via these ports during the period when icebreaking was provided?

Hon. Otto E. Lang (Minister of Transport): 1. The cost of 1975-76 Icebreaking Services:

(a) St. Lawrence River	$5,751,570	
(b) Gulf of St. Lawrence	$6,914,872	
(c) Arctic Operations	$8,252,884	

2. (a)

Icebreaking costs	1974-75	1975-76
St. Lawrence River	$5,446,648	$5,751,570
In Gulf To Support River Shipping	4,482,430	4,036,632
Totals	$9,929,078	$9,788,202

(b) Tons of cargo moved during months of January, February and March

Port	1975	1976
Montreal	2,135,349	1,516,731
Trois-Rivières	276,255	192,445
Quebec	1,563,345	2,105,099
Sorel	166,995	69,676
Total Tonnage	4,141,944	3,883,951

NOTE: Contrecœur is considered as part of Montreal Port.

(c) Assessment per ton to recover cost of icebreaking services

1975 9929078 / 4141944 = $2.40

1976 9788202 / 3883951 = $2.52

NOTE: Assessment is based on the assumption that full icebreaking costs supporting winter river operation is recoverable from users of the above named port facilities. If user changes were instituted generally, other areas benefiting from the Coast Guard icebreaking activity would include: 1. Many private facilities along the river. 2. Those ports on the North Shore which are broken out in the spring. 3. The icebreaking carried out in the Montreal area to alleviate possible flooding of low lying areas along the river.

TRANSPORT—GRANTS TO FERRIES

Question No. 1,161—**Mr. Allard:**

For the fiscal year 1975-76, did the Department of Transport give any grants to (a) Dalhousie-Miguasha Ferries Ltd. (b) Northumberland Ferries Ltd. (Wood Island-Caribou) (c) Grand Manan Ferries Ltd. and, if so, in each case, in what amount?

Hon. Otto E. Lang (Minister of Transport): The Canadian Transport Commission advises as follows: For the fiscal year 1975-76 the Department of Transport did not give any grants to (a) Dalhousie-Miguasha Ferries Ltd., (b) Northumberland Ferries Ltd., (c) Grand Manan Ferries Ltd. For the fiscal year 1975-76 the Canadian Transport Commission did administer operating subsidies to the three named services as follows: (a) Dalhousie-Miguasha Ferries Ltd., $5,036; (b) Northumberland Ferries Ltd., $2,503,864; (c) Coastal Transport Limited, (Grand Manan-Mainland), $259,000.

PURCHASE OF RAILWAY EQUIPMENT FOR MOVEMENT OF CANADIAN GRAIN

Question No. 1,238—**Mr. Herbert:**

During each of the past ten years, what was the total payment made to purchase railway equipment to facilitate the movement of Canadian grain?

Hon. Otto E. Lang (Minister of Transport): Railway (Grain) equipment purchases: 1967-68, Nil; 1968-69, Nil; 1969-70, Nil; 1970-71, Nil; 1971-72, Nil; 1972-73, $47,305,-989; 1973-74, Nil; 1974-75, Nil; 1975-76, $40,639,100; 1976-77, $100,400,000 (estimated).

"MALIBU PRINCESS"

Question No. 1,276—**Mr. Friesen:**

1. Has the *Malibu Princess,* used in the British Columbia coastal trade, been registered, insured and/or bonded by Lloyd's of London and, if so (a) what is the amount of the insurance or bond (b) on what date did the registration, insurance and/or bonding take place (c) for what length of time has the registration, insurance and/or bonding been issued?

2. What is the length, the beam and the draft of the *Malibu Princess*?

3. What are the Department of Transport regulations for the draft of ships assigned to open waters?

4. Since November 1, 1976, has the *Malibu Princess* been able to stop at all of the ports on her schedule and, if not (a) how many times has it been unable to complete its schedule (b) what were the reasons for not fully completing each trip?

5. Since November 1, 1976, has the barge service used for cars and freight been able to stop at all of the ports on the schedule and, if not (a) how many times has it been unable to complete its schedule (b) for what reason was it unable to complete each trip?

Hon. Otto E. Lang (Minister of Transport): 1. The *Malibu Princess* is listed in Lloyd's Register of Shipping. This vessel is not classified by Lloyd's. Canada Steamship Inspection classified the vessel as home-trade class III. The placing of Hull and Machinery, and Protection and Indemnity Insurance is an owner/operator responsibility and risks and limits insured are not known to Transport Canada.

2. *Malibu Princess* as per registry of shipping: Length, 38.41 metres; Beam, 9.83 metres; Draft, 2.286 metres.

3. Draft, per se, is not regulated but is directly related to freeboard which is regulated under the General Load Line Rules. The load line position on a vessel is determined by design criteria and intended trading area. The rules for determining same are highly complex. In addition to the General Load Line Rules passenger vessels carrying more than 12 passengers must meet the Subdivision Rules for passenger vessels. These rules generally deal with the relationship of water tight subdivision, draft and freeboard. In the Canadian context voyages are foreign, home-trade, inland waters or minor waters. The Queen Charlottes lie within home-trade class III limits and any vessel wishing to trade in this area must be classified as home-trade class III. The *Malibu Prin-*

cess has been classified as home-trade III by Canada Steamship Inspection.

4. The *Malibu Princess* has made all stops on her regular service schedule up to December 12, 1976 when inquiry was made of the operator.

5. So far as is known, yes, but the Government of Canada has no direct interest in the barge service referred to and, as such, detailed operating knowledge is not available. Inquiries of this nature should be requested directly from the operator.

TOTAL COST OF SNAVELY COMMISSION

Question No. 1,326—**Mr. Neil:**

What is the total cost to date of the Snavely Commission on the cost of transporting grain by rail?

Hon. Otto E. Lang (Minister of Transport): The total cost to October 31, 1976, which is the latest date for which invoices have been received, is $422,094.74.

MONCTON AIRPORT

Question No. 1,361—**Mr. Jones:**

1. Are further and additional capital improvements planned for the Moncton Airport and, if so (a) what are they (b) what are the time schedules?

2. Is Moncton Airport used as an alternate international airport and, if so, what arrangements have been made to provide complete customs facilities?

3. Are steps being taken to designate the Moncton Airport as an international airport and, if so, what are they?

Hon. Otto. E. Lang (Minister of Transport): 1. In the master plan now under development for Moncton Airport, requirements for the following projects have been tentatively identified and desirable scheduling established. Since the Master Plan is not yet completed and approved, no commitment can yet be confirmed. Major renovations to the Air Terminal Building, 1979/80; Design and construct waste water treatment facility, 1979/80; Pave employee parking lot and industrial roads, 1977/78; Renovate Control Tower air conditioning, 1978/79; Acquire land for new Air Terminal Complex, 1979/80; Purchase property off end of runway II, 1977/78; Construct new taxiway, terminal ramp and runway 29 c/w lighting, 1979/80/81; Replace ILS equipment on runway 29, 1979/80; Construct new flight hangar and offices for Transport aircraft, 1979/80.

2. Although there is an occasional Air Canada diversion from Halifax, Moncton is not an international alternate. Limited Customs facilities are provided to meet general aviation requirements. A study on international charter access to non-international airports in Canada is currently being conducted. The results of this study pertaining to Moncton Airport are not yet known.

3. There are no plans to designate Moncton Airport as an international airport.

Order Paper Questions

PASSENGER ELEVATORS ON FERRY STEAMSHIPS

Question No. 1,398—**Mr. Crosbie:**

1. (a) What government authority or agency is responsible for the inspection of passenger elevators located on board passenger ferries operated for Canadian National by the East Coast Marine Services between Newfoundland and Nova Scotia (b) what safety standards are in effect with respect to such passenger elevators?

2. Are the same safety standards required for passenger ferries owned or registered under Canadian law and those chartered ferry vessels registered in other countries?

3. Are the safety standards provided by the Canadian Standards Association B44 Safety Code for elevators and lifting devices applicable to both Canadian and foreign vessels involved in passenger ferry service?

4. Have any representations been received from the Government of Newfoundland or any agency thereof about the safety features of passenger elevators on board passenger ferries operated between Newfoundland and Nova Scotia and, if so, what is the nature and content of the representations?

Hon. Otto E. Lang (Minister of Transport): 1. (a) Transport Canada (Coast Guard Ship Safety), being the authority responsible, has arranged that the inspections of these elevators be carried out by provincial (Newfoundland) inspectors who make similar inspections of shore-based elevators in buildings. The Transport marine surveyor is authorized to accept these inspections if he is otherwise satisfied. (b) The safety standards in effect for these inspections are those used normally for building elevators.

2. The Non-Canadian Ships Safety Order presently provides that chartered passenger ferry vessels registered in other countries are deemed to comply with the requirements of the Canada Shipping Act if they carry Passenger Ship Safety Certificates issued by the country of registry under the conditions of the Safety of Life at Sea Convention (1960). Since the Convention does not make specific provision for elevators, it is now the intention of Transport Canada to propose amendments to the Order to require such vessels to meet the same requirements for passenger elevators as are applied to Canadian vessels. These requirements will also be stated in greater detail by means of proposed new regulations that are now being circulated for comment.

3. Under the proposed new regulations the C.S.A. Code safety standards would apply both to Canadian ships and to foreign-registered ships operating in the Canadian Coasting Trade. At present they do not apply to the latter.

4. A letter dated August 23, 1976 was received by Transport Canada from the Hon. E. Maynard, Minister of Manpower and Industrial Relations, Newfoundland. Mr. Maynard points out that the passenger elevators on the chartered, foreign-registered passenger ferry vessels operating in Newfoundland lack certain safety features required by the C.S.A. Code.

* * *

QUESTION PASSED AS ORDER FOR RETURN

[*English*]

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, if question No. 810 could be

made an order for return, this return would be tabled immediately.

Some hon. Members: Agreed.

[*Text*]

RADIOACTIVE LOCATIONS IN CANADA

Question No. 810—**Mr. Leggatt:**

In what locations in Canada is radioactivity in excess of naturally occurring levels (a) known to exist (b) suspected to exist and, for what reasons?

Return tabled.

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed, from Friday, February 4, consideration in committee of Bill C-22, to amend the statute law relating to income tax—Mr. Macdonald (Rosedale)—Mr. Turner in the chair.

The Deputy Chairman: Order, please. The House again in committee of the whole on Bill C-22, an act to amend the statute law relating to income tax. When the committee rose on Friday, February 4, clause 52 was under consideration. Before recognizing the next hon. member, may I inform the committee that according to our records, and within the terms of the order made pursuant to Standing Order 75C, one hour and twelve minutes remain to conclude the eight hours of debate ordered by the House. Therefore, if necessary I will interrupt the proceedings at 4.20 p.m. and put all questions necessary to dispose of this stage of the bill. Shall clause 52 carry?

Some hon. Members: Agreed.

Clause 52 agreed to.

Clause 53 agreed to.

On clause 54—*Determination of taxable capital gains, etc.*

Mr. Lambert (Edmonton West): Mr. Chairman, I am looking at the clause to make sure nothing slips by—not that the minister would wish to slip anything by. Mr. Chairman, clauses 54 and 55 are all right.

Clause 54 agreed to.

Clauses 55 and 56 agreed to.

On clause 57—*Revocation.*

[Mr. Milne.]

Mr. Symes: Mr. Chairman, clause 57 of the bill deals with the registered home ownership savings plan.

Mr. Lambert (Edmonton West): And other things.

Mr. Symes: I want to make some comments about this provision in the Income Tax Act. A few years ago in a budget the government introduced a provision to stimulate home building and assist young couples and lower income people to save in order that they might build a new home. The government hoped to accomplish this end with the registered home ownership savings plan. Under the plan a person would register and be able to contribute $1,000 per year to a maximum of $10,000 in ten years. That $1,000 set aside under the registered home ownership savings plan was to be tax free, as was the interest earned by moneys deposited under the plan. In other words, the moneys diverted into such a plan would never be taxed. When you look at the program and how it has been working, you find that as of 1974, the last year for which I have statistics available, some $65 million of tax savings were allowed through this registered home ownership savings plan.

• (1510)

The concept of helping Canadians to save in order to purchase a house is one with which all members of this House of Commons are in agreement. The government, looking at its record of housing in Canada, has something to be ashamed of in terms of the cost of housing today because of the high interest rates it has tolerated, especially in terms of mortgages that low and middle income people have to pay. The policy of this government in so far as adequately housing Canadians is concerned is something that I deplore, considering how many Canadians today are ill-sheltered.

If, in order to help Canadians build houses, the Minister of State for Urban Affairs were to stand in the House and announce that he would provide a cash grant to Canadians based on terms that the more you earn, the greater your grant, all of us in the opposition would be indignant at the unfairness of such a program. The public at large would have great objection and great difficulty trying to fathom why, the more you made in terms of income, the greater the house buying grant the government would give you.

When we look at this clause of the bill which has to do with the Income Tax Act and how it operates in terms of RHOSPs, we find that is the very principle with which we are dealing. In other words, the greater your income, the higher you are on the income ladder, the greater the tax benefit will be for you if you subscribe to a registered home ownership savings plan. That is what we in the New Democratic Party so strongly object to, namely, that his plan, like many of the other provisions, benefits wealthy Canadians more than lower and middle income Canadians for whom the plan was supposedly designed to help in the first place.

Looking at the figures from Statistics Canada and how the various income groups have been able to benefit from the registered home ownership savings plan, we find that if a person's income was under $2,000—and this would only apply

to people on pensions, disability pensions and so on—their average saving under this plan was $105. If we move up the income-ladder to those earning between $2,000 and $5,000 a year, we see that their saving under this plan would be about $203. For the income group between $5,000 and $10,000, their tax saving would be about $264. Notice that as we go up the income ladder the tax saving increases. For those earning between $10,000 and $15,000 a year, the average saving is about $309. For people earning between $15,000 and $20,000 a year, their average saving is $365. For people earning between $20,000 and $50,000 a year, the saving under this plan would average $462. For those earning over $50,000 a year, the average saving would be $571.

Rather than providing a kind of tax structure through this home ownership savings plan to help those who need help the most to find decent accommodation through home ownership, the plan works in the reverse direction. I agree there would be some saving to lower and middle income Canadians, but it gives a far greater saving to upper income Canadians whom we assume have greater ability to afford housing than low income Canadians. That is unfair.

Looking at the way the savings are proportioned among the different income groups, I ask the minister what is fair about a home ownership savings plan for the income group between $5,000 and $10,000 a year when only one in 49 taxpayers was able to take advantage of it. For someone earning between $10,000 and $15,000 a year, one in 32 was able to take advantage of the program, and for those earning over $50,000, one in 16 was able to take advantage of it. I refer not only to the amount of money one can save under the plan, as I illustrated by earlier figures—the more you make, the greater it is—but in terms of who is taking advantage of the plan we find, again, it is upper income Canadians, those we would assume to have the means to buy a house, who benefit the most.

These are the people who are taking advantage of the plan in terms of numbers and who are also gaining the greatest benefit in terms of dollars. This plan, like the registered retirement savings plan and the child care deduction provisions which we criticized earlier, provides disproportionate advantages to upper income Canadians. For that reason, we strenuously object to it.

If the government is serious about providing adequate housing for Canadians, there should be a cut-off limit, in terms of income, as to whether you qualify for this plan or, better still, a tax credit formula so that low and middle income Canadians who most need help will be able to get the dollars savings that one would assume a fair income tax system would provide.

● (1520)

On the whole, when we look at this gimmick, this registered home ownership plan as a tool to help Canadians find adequate housing falls far short of the goal. We are, unfortunately, facing a tremendous problem of high unemployment. Officially, the rate run at about 7 per cent, but very likely, because of inadequate statistical methods, this figure does not represent the true position which is probably around 11 per cent—800,000 or one million Canadian are out of work. If the aim is to get these Canadians back to work as well as to provide decent shelter for the hundreds of thousands of Canadians who need it, we should not rely upon these tax gimmicks; there should be a massive investment of public money in a national housing program to stimulate home construction. Not only would this get many unemployed Canadians back to work, but we would begin to provide a housing stock adequate for the needs of many Canadian families who are presently living in slums or near-slums.

Another way in which the government could help solve the housing crisis would be by regulating mortgage interest rates either through the Bank of Canada or through the budgetary process. We in this party have suggested that the government instruct the commercial banks to set aside a certain portion of their capital to provide mortgages, at 6 per cent to low income families deserving of such assistance. If we brought down high mortgage rates we would do more to stimulate home construction than by introducing the kind of gimmick represented by RHOSPs.

It must be disillusioning for Canadians to face the mortgage payments they are required to make today. Over the weekend I was talking to a constituent who had taken out a $40,000 mortgage at 10½ per cent. He had received an annual statement from the bank which showed he had reduced his mortgage over the past year by some $400. But his interest payments amounted to around $4,000. When a family is burdened with mortgage payments on that scale, is it any wonder that in so many cases both spouses need to work?

Not only does the RHOSP benefit the wrong group, that is, those in the upper income brackets who have a better chance of coping with housing costs, but it does not begin to come to grips with the housing crisis. I am concerned, also, about the loopholes in this plan. In theory it is supposed to help people save toward the purchase of a house. But the provisions are so loose that money can be paid into the plan and used later to buy furniture. Use can be made of it as a tax dodge, and at the end of ten years there is no need to buy a house at all; the money accumulated, say $10,000 plus interest, can be transferred to an RRSP so as to avoid taxation.

Even in cases where a person already owns a house, the fund can be transferred to a spouse and the spouse will qualify under the plan. There are various provisions which make it possible to transfer these funds into RRSPs, and so on— all in all, a loophole big enough to drive the family car through. In my opinion, the plan is poorly designed in relation to whom it helps and to what degree. I think it really amounts to a tax dodge available to the wealthy rather than a tax break to those who need it most. For this reason I strongly object to the way in which it is designed. We in the New Democratic Party would like to see it restructured as a tax credit and a limitation placed on its use. We want homes for lower and middle income Canadians.

Mr. Macdonald (Rosedale): I am obliged to the hon. member for his contribution. He talked about a family in his

riding, a family which, I take it, is typical in the sense that it is carrying a $40,000 mortgage and paying $4,000 or $5,000 a year on it. May I point out that this is exactly the kind of household which under RHOSP would be able to put money aside to provide a down payment on property. This measure will, in a substantial way, assist young people in particular who have entered the work force to set aside money to acquire property and make a home for themselves.

I think it is fair to remind the hon. member that this measure does not in any way exhaust the list of those the government has taken in the housing field. He would like to see a massive program of government spending in the housing area. Might I point out to him that this is exactly what was undertaken by the government in 1976 through various programs within the responsibility of my colleague, the Secretary of State for Urban Affairs. In round figures, $1.5 million was channelled by the federal government into programs concentrated mainly on those at the lower end of the income scale so as to make available one form of assistance or another, accounting for 120,000 of the 275,000 units of housing under way during 1976.

Incidentally, the figure of 275,000 units in that year was not only a record; it was well in excess of the target which had been set by my colleague. In that sense we have already witnessed a massive injection of money into the housing sector. I think, for example, of the Dundas-Sherbourne project in my own constituency. Federal funds represented about 95 per cent of the total cost in addition to the shared-cost of rental subsidies with the provincial government, and the result was the availability of accomodation in the downtown area for people in the lowest income groups who, but for this federal assistance, would not have such housing at all. In short, we are seeking to provide a spectrum of housing opportunities, and I think it is fair for me to comment that there has already been an effective and substantial addition to Canada's housing stock as a result of the programs to which I have referred.

● (1530)

Mr. Symes: Mr. Chairman, the minister started to recite some of the government's housing policies and programs, revelling in the 275,000 new units to be created. He would, of course, be the first to admit that there are some problems with the figures he recited. One of the major problems, which is evident to me from constituents who come to my office in Sault Ste. Marie, is the fact that of the many new houses that are built, most are priced beyond the family incomes of these people. In view of the actual cost of building a house and the cost of interest payments people are faced with today, the dream of owning a house is away beyond the reach of most. Not enough moderately-priced houses are being built.

Private developers, of course, can make a greater profit from the more expensive homes which upper income Canadians can afford, and this is the kind of home construction that is taking place all across Canada. Certainly, many more are built than the moderately-priced homes which the average Canadian would like to be able to afford. The government will probably counter that argument by stating that there is the assisted home ownership plan, which again is a plan that in theory is very good but which in practice cuts out average income Canadians from any benefit. A ceiling is placed on the price of a house under which AHOP will grant a subsidy. For example, in Sault Ste. Marie there are just not enough moderately-priced houses on the market to qualify for AHOP assistance and provide a home for those with an income requirement to bring them within the program.

So although the government can trot out statistics showing the great work it is doing, the people whom I see from day to day who have problems finding adequate housing tell me a different story. They tell me the housing situation is not as rosy as the minister tries to make out. That is why I say that if this registered home ownership plan is to have any real benefit for those who need it the most, we will have to redesign it so that, in dollar terms and in terms of who can take most advantage of it, it is made available to low and middle income Canadians and not, as is presently the case, to help those in the upper income brackets.

Mr. Leggatt: Mr. Chairman, I should like to supplement the remarks of the hon. member for Sault Ste. Marie. Our objection to this clause is not to the principle of government intervention and assistance for those unable to set aside sufficient funds to obtain housing; our objection to the clause is that it is taxation in reverse. It is a taxation policy which in effect rewards those of middle and high income and is of no advantage to those of low income.

The hon. member for Sault Ste. Marie suggested it would be ludicrous to have a system under which the higher one's income, the higher the grant to assist in obtaining housing under the home ownership plan. In fact, if one compared the value of the grant with various income levels, one would find that in terms of its being a tax shelter to put money away for the purpose of purchasing a home, those earning less than $2,000 would qualify effectively for a grant of $105.21. This figure would continue to increase until when you reach those who earn over $50,000 the value of this tax shelter is $571.06. In other words, the value of the tax shelter is some five times greater than is the case with those at the bottom of the income ladder.

In other words, the principle is exactly the same as the one we argued about when discussing retirement savings plans. Unless there is some fairness in these plans, rather than applying them across the board, unless progressive rates in terms of the value of the tax shelter to individual taxpayers is built into the plan, we will have taxation in reverse. You will have a system that rewards those at the upper end of the income scale and penalizes those at the lower end. If members of the committee examined this proposal in that light, rather than in terms of its being a way to encourage saving, I think they would oppose the principle that is applied here.

As I say, Mr. Chairman, we are not against intervention. Were we the government we would intervene in a much more massive way in terms of assisting those of average and low income. We are not opposed to the principle of this clause;

what we are opposed to is what I would describe as consistent Liberal philosophy, that of not only assisting middle and upper income earners but richly rewarding them in terms of the provisions of this particular clause. That is all I have to say on that aspect. I still think that the real effect of these kinds of tax shelters on individual taxpayers has not been properly studied. If it has been properly studied, then in spite of its fundamental unfairness to those on low income, the principle has nevertheless been proceeded with.

I hope that the minister has read a document entitled "The Hidden Welfare System", produced by the national council of welfare, which analysed the personal income tax system. This particular provision came under very careful scrutiny and was heavily criticised in the report. It underlined the example that the hon. member for Sault Ste. Marie so explicitly put before the committee—that of the plan's basic unfairness. It pointed out that the loss to the treasury as a result of these tax shelters is some $6.4 billion a year, and that if you took away those shelters every man, woman and child in Canada could be given $100 a month for the purpose of education, clothing or some basic and fundamental need. Yet the government continues to bring forward a system of reverse taxation.

I could go into the question of the effect of this system on indexing, which makes it even more iniquitous. As a result of indexing we find that the value of these shelters to those of upper income is even greater. However, that is all I have to say on this clause, Mr. Chairman.

Clause 57 agreed to.

Clauses 58 and 59 agreed to.

On clause 60—*Definitions.*

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, I shall not speak for any length of time, but I should like some clarification of clause 60 which unfortunately picks up some of the matters already dealt with in clause 43(3) on page 47 of the bill having to do with the definition of "charitable foundations", "charitable organizations", and so on. My question refers specifically to activities which are not necessarily related to the charity in question but are engaged in by a charitable organization or foundation, whichever is the case, in order to finance the further carrying on of their charitable work.

● (1540)

I am thinking, to be specific, of an operation such as a parking lot, the proceeds of which would be recoverable by the charitable foundation or organization to finance that charity's operation. There is another form of activity that a foundation or organization might be involved in, namely, the purchase of a building by way of investment in order to produce revenue which would assist the charitable organization or foundation in carrying on its work. I wonder whether the minister is in a position to say now whether any criteria are being used to determine which business activities would be permitted within the meaning of this bill as being eligible for tax exemption.

Mr. Macdonald (Rosedale): The hon. member has touched on one of the difficult questions involved in the exercise of reviewing the tax law as it affects charities. The basic purpose, going back to the common law, is that by definition a charity should not carry on a business, that it should engage primarily in the benevolent purposes for which it has been set up. But we all know that over a period of time, specifically for the purpose of augmenting the funds of charitable organizations, related businesses have been engaged in by the charities.

In my own city, the women's committee of the Ontario art gallery has been engaged in such activities, as have other charitable organizations; for example, in the preparing and sale of meals on the premises of the charitable organization as income earners for the particular charity. It is for that reason that subsection (j) has been added to try to define a little more clearly the question of related business.

The example given by the hon. member would not fit within the related business category, that is to say, the operation of a parking lot. Indeed, it is conceivable that it could be run by volunteers for the purpose of augmenting the income of the charitable organization; but that is not primarily what would be regarded as a related business. However, ultimately it is not for me to say: the definition of "related business" is included in the statute and it would be for the courts to interpret it. I should indicate, however, that from the extensive discussions that have been held with charitable organizations as a result of the study paper and the bill which was given first reading late last spring, and of this bill, the conclusion has been drawn that the introduction of the rules would not materially affect the existing operations of most charitable organizations and public foundations. This will be determined by the law. It may well be that there will be some activities which are not compatible with the carrying on of a charity which may fall afoul of this provision.

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, I am not entirely satisfied. The minister has given some clarification, but the "related business" concept would have to be clarified by the courts. The courts have in front of them the wording of this bill. Presumably they would have, as well, any precedents established by court ruling. But this imposes upon charities a requirement to resort to legal action in order to resolve problems in which perhaps they had been involved for several years on the understanding, in the past, that these activities were recognized as legitimate businesses which would be carried on by those charitable organizations without implicating them in deeper tax commitments.

I notice that the minister spoke of the example of a parking lot operated by volunteers to raise money. Let us suppose that the parking lot happened to be in the same municipal area as a hospital, for example, and it was not volunteers but paid staff who were being employed in this operation; therefore it was a business with employees who are parking lot attendants being paid for their services. Would this further complicate their problem, or did the minister just throw in the word "volunteers" simply as one of the words that might be used with reference to persons running the parking lot?

Mr. Macdonald (Rosedale): The word "volunteer" is really a synonym for the definition in the latter part of clause 60(1)(j). I should indicate that it is anticipated that where formerly a business of one kind or another was carried on by an existing charity, Revenue Canada would have no difficulty in defining those practices as being within the definition of a charitable operation. However, if a charity proposes to move into an activity which is competitive with commercial concerns, then at that point there has to be some question as to the appropriateness of its being allowed a charitable exemption.

If the charity, for example, is operating a business at a loss, it may have to make up the losses with its own funds, often out of amounts for which a tax deduction has been given. Businesses may become divorced from charity for practical purposes, their revenues being reinvested rather than going to the charity. The running of a business may become the principal focus of the charity's activity, with its charitable activites relegated to a secondary role. Obviously, between the incidental operation of the kind to which I referred, for example, the gallery or the hospital running a cafeteria, or certain groups selling clothes, and the operation of an active business there is a difficult area to define; but the basic principle is that the activity should be related to those of the charity and it should not become the vehicle for a substantial commercial business.

Mr. Munro (Esquimalt-Saanich): I have one more question, Mr. Chairman. I should like to be absolutely clear, further to what the minister just said, that if it were a new business or a new enterprise in which the charity might become involved, it would be subject to review, whereas businesses that are primarily and traditionally associated with those charitable foundations would be accepted by the income tax people as legitimate businesses in furtherance of the cause of that charity.

Mr. Macdonald (Rosedale): I am advised that that is the intention of Revenue Canada in this regard.

Mr. Clarke: Mr. Chairman, I am fairly certain that this matter has been brought to the attention of the minister, but for the record I should like to express a concern which has been conveyed to a number of members of the House by universities in particular. I do not think I can put the case any better than has the chief financial officer of one of the universities of one of my colleagues. Reference was made in the letter to the green paper on tax treatment of charities which was published in 1975. I would like to quote some passages from that letter. One of them reads as follows:

The legislation expected to follow the green paper was given the further purpose of ensuring that the Income Tax Act did "not inhibit charities from carrying on their work in the most effective manner possible".

● (1550)

In further reference to the green paper, the letter indicates that the green paper says this:

"in the fields of education, medicine, scientific research, culture, religion and athletics to name just a few major areas".

[Mr. Munro (Esquimalt-Saanich).]

Then quoting directly from the letter:

The paper went on to say that the role of charities in these areas was "to fill in gaps of service and financial support where government should not or cannot play a significant part".

This chief financial officer draws the following conclusion from that references to educational institutes that:

—the paper was concerned not with educational institutions as such but with the independent charities which may provide financial assistance to them.

The feeling of this officer is as follows:

—that the legislation was not intended in the first instance to apply to publicly-supported educational institutions.

I would like to quote further from the letter:

The bill would require that we meet a certain prescribed percentage of income disbursement rules. For purposes of these disbursement rules, specific definitions of income are provided. The essence of the income definitions would seem to be that a registered charity would report as income (for purposes of disbursement rules) donations received from sources able to claim deductions for income tax purposes. Donations which would not produce an income tax benefit for the donor, and restricted donations which were to be held for a period of not less than ten years, would by definition be excluded from the calculation of income. The bill also contains a relieving provision that provides for the aggregation of income and disbursements over a period of several years in order to meet disbursement rules.

I do not intend to read the whole letter, but another part of it reads as follows:

If the bill passes as written, we will have to be able to prepare financial statements reporting income and disbursements as defined in the bill. This may not be perceived by others as an especially onerous requirement, but our accounting systems do not allow us to accumulate charitable donations by category of donor and substantial changes would have to be effected in the systems to provide such a capability. We would, I believe, have to develop and implement a charitable donation receipt classification system which would be unrelated to any of our needs or those of our donors.

As I have said, the writer is the chief financial officer of a well known university in Canada. This person also expressed concern about the problems which could arise from the provision in the bill whereby the minister's approval in writing would have to be obtained to accumulate funds for particular purposes. I quote again from the letter as follows:

More analysis on our part as well as additional information from the minister will be required before we can fully assess the effect of this provision but I think it is fair to say that it would probably involve an enormous increase in paper flow between the minister and educational institutions.

As publicly-supported institutions, universities in Canada have for years met all reasonable accountability requirements for the funds entrusted to them. Requiring universities to develop accounting and reporting systems to meet standards intended to control abuses in non-related areas will not help us to carry on our work in "the most effective manner possible". I feel strongly that the application of the proposed controls should be on a more selective basis and that some exempting provision should be made in the bill, either at the minister's discretion, or, perhaps as a specific exemption for universities and other designated educational institutions as defined in section 110(9)(a)(1) of the Income Tax Act.

In this connection it may be worth noting that those universities outside Canada which are authorized to issue charitable donation receipts acceptable for Canadian income tax purposes would appear to be exempt from the provisions of clause 60 as they are not registered Canadian charitable organizations. The 1975-76 edition of the Income Tax regulations lists 228 such universities. While I certainly would not advocate the extension of clause 60 to these universities, their exclusion from the proposed legislation does represent different treatment from that proposed for Canadian universities and will be more favourable to their costs of fund-raising activities.

Finally, reference is made to the penalty clause which is contained in this bill and the writer concludes the following:

I have not attempted the calculation of this tax as it would relate to (our university) because I cannot conceive of such an application to a Canadian university.

That statement is now on the record. I would like to ask the minister directly what kind of representations he has received in connection with the effect of clause 60, and what changes, if any, are proposed.

Mr. Macdonald (Rosedale): Mr. Chairman, I can confirm that the only representation I have received in this regard is from the hon. member's colleague, the hon. member for Kingston and the Islands, who spoke to me about this on Friday afternoon for the first time and then sent me a letter which included excerpts from the letter the hon. member read into the record and which one can judge by inference was written to the hon. member by somebody at Queen's University.

Although I have not checked with my advisers, I think I would be correct in saying that we did not receive that representation directly from the lady or gentleman of that university, so I cannot be confident at this point whether this question has been discussed previously between the department and the university in question. I go back to the portion of the letter which the hon. member quoted, which reads as follows:

More analysis on our part as well as additional information from the minister will be required before we can fully assess the effect of this provision—

I just indicate that we would be quite prepared to discuss with the representatives of Queen's University or any other university the manner in which they feel the administration of these particular provisions may be onerous to them, and if they would like to do so, I would be pleased to hear from them. I suggest, however, that this is a question of administration. I think the initial reaction on the departmental side would be that the difficulties are perhaps overstressed. But I repeat that we would be quite prepared to discuss the application of the law as it may affect the particular group, and to see if amendments might be required in the forthcoming budget.

Mr. Clarke: Just for greater clarification I would like to ask, again, if the minister has received representations from other Canadian universities as to the effect of this clause upon them. At the same time, I would like to ask another question. Is the effect that has been pointed out to the minister what was intended when he made these proposals in the first place?

Mr. Macdonald (Rosedale): I am not familiar with any other representations. I would have to have the records checked to see if at any time in the last two years any university has complained in this regard to my officers or to my department. We anticipated that there would have to be some changes in administration involved with the change in the act. That is not an uncommon circumstance. If, indeed, the writer's fears are justified—and I think we could only find that out after, as he or she has said, analysis—then we would be prepared to consider a change in procedures. At the moment we do not think they would be unduly onerous.

Mr. Lambert (Edmonton West): Mr. Chairman, I have just a few comments on this point. I can readily understand why the minister was moving into the area of, shall we say, high cost—either high cost as to collection, or high cost as to administration—types of charities and into the area where individuals set up charitable foundations, that is, colorable charitable foundations in order to gain for themselves some tax-relieved income.

● (1600)

On the other hand, I feel that in an effort to tackle that type of gain he has armed himself with a high-powered rifle to go after a rabbit. I would say that the problems put forward by Queen's University, as evidenced by the exchange of views between the hon. member for Vancouver Quadra and the minister, are valid for other universities. I would think it is difficult to say to institutions, "Let us see how this goes. In order to comply with this you will have to change your whole accounting system, and then we will look at it." There are areas where the accounting has to be a segregation of income. If a gift is given to a qualified charity within certain limits, that is permitted. But it is already permitted under the act, although that income has to be segregated.

As far as related businesses are concerned, my own University of Alberta took over a student union organization known as HUB, a totally segregated student residence; a business complex for student purposes. Is that to be a related business? What about bookstores, student health services and computing centres? A number of universities have computing centres which have spare time so they provide payroll services, etc., to other organizations. Is this a "related business", and what is to be done with regard to its income?

Section 149.1(2)(a) of the act gives the minister discretionary power to revoke the registration of a charitable organization that carries on an unrelated business. If any one of these unrelated businesses was unclear and the universities were to engage in that type of operation, does it run the risk of the minister deregistering that university or charity? I think it is quite unfair, unless it is clearly spelled out in the act and not left to determination by the courts or review by the minister. A university does not change its accounting practices as the minister or I might change a jacket.

The other thing that concerns me is in section 149.1(14) and (15). Why are two information returns required? These subclauses read as follows:

(14) Every registered charity, shall, within three months from the end of each taxation year of the charity, file with the minister both an information return and a public information return for the year, each in prescribed form and containing prescribed information, without notice or demand therefor.

(15) Notwithstanding section 241—

Section 241 prohibits the publication of information by any official in a tax department if the information is furnished with respect to a tax return. There is no doubt that the information sought under section 141.1(14) and (15) is respecting income tax. An exception to the confidentiality is being asked for in subsection (15) which reads:

Income Tax Act

Notwithstanding section 241, the information contained in a public information return referred to in subsection (14) shall be communicated or otherwise made available to the public by the minister in such manner as he deems appropriate.

Now that shall require a full explanation not only with regard to the universities but with regard to all charities. I ask, very sincerely, why this exception is to be made to the confidentiality of income tax returns. I am not 100 per cent sure, but it would seem to me this is likely the only instance under the Income Tax Act where section 241 is weighted with regard to any particular type of taxpayer. As I say, I am subject to correction on that point, but I am not aware that at any time in the past the minister had the right to communicate to any member of the public the contents of the income tax return of any taxpayer. I would suggest that the burden of proof is on the minister to indicate why that should be done in this particular instance.

Mr. Macdonald (Rosedale): The purpose of the requirement is, of course, that the public may know, in a broad category sense, the kind of charitable activity being carried on and the kind of contributions being made. The source of income by broad categories, that is to say, government, corporations, other charities, individuals, etc., the amount expended on charitable activity by broad category—education, research, etc.—gross administrative expenses, including salaries in aggregated form, and basic information of the name, location and function of the charity, is to be in the public information return.

The green discussion paper said that in view of the large tax concessions granted to registered charities, the public is entitled to know with some precision the activities of the charity. The proposal to require disclosure has met a very positive response from most groups, and rules will be incorporated in the legislation. In other words, you have operations being carried out for charitable purposes, ostensibly, being given the benefit of exemption from income tax provisions. In that sense, other taxpayers will have to bear the part of the burden which this activity might otherwise have borne. For this purpose, it seems to me to be reasonable from the public standpoint to have some public disclosure, in the broadest terms, of what the source of funds is and how they are being applied.

● (1610)

Representations have been received to the effect that the public information return should not be so specific as to embarrass the charity or its officers, for example by giving the names of the officers or their home telephone numbers where they could be subject to contact, or the names of the beneficiaries of grants, and an information circular will be issued by Revenue Canada to make this clear. The basic purpose, however, is that when you have an organization being run for the public benefit, the public should be entitled to know, in the broadest categories, as to the purpose, the source of funds, how they are applied and what the administrative expenses are. Hence, the disclosure formula.

[Mr. Lambert (Edmonton West).]

With regard to the carrying on of a business, it ought to be remembered that under the existing provisions of the Income Tax Act no business can be carried on by a charity. Therefore, in that sense the proposed amendment is of a relieving category.

The hon. member referred to activities at a university, for example, the provision of student accommodation, food and computer services for the benefit of students. Clearly, in those circumstances those activities would be related services and I would anticipate no difficulty at all. If a university at a certain point develops a computer service, say, to the point where it is engaging in a substantial commercial business, a business substantially more commercial than that of supplying a service to its own students, at that particular point Revenue Canada may indeed have to consider the status of that particular operation. In general, those services which are made available to the student body or for the purposes of the educational operation are clearly related businesses and would be so considered and permitted under the Income Tax Act.

Mr. Lambert (Edmonton West): Mr. Chairman, I take it that the only authority the minister invoked today was based on the government's own green paper. I am referring to the intentions which it published in the green paper. Am I correct in suggesting that that is the sole, shall we say, criterion or authority on which it bases its conclusions as expressed in the bill?

Mr. Macdonald (Rosedale): Mr. Chairman, I am not sure what the hon. member means by "the only authority." Of course, the question was much canvassed in the green paper.

Mr. Lambert (Edmonton West): That was the government's green paper.

Mr. Macdonald (Rosedale): The government's green paper, which was much canvassed, as I remarked. The proposal received substantial support from those who responded to that paper. With regard to this point and the point concerning universities generally, the matter has been out in the forum of public discussion for close to two years. I think it is fair to say that there has been substantial agreement on the part of those responsible for operating charitable organizations in Canada with the proposals made. Although the green paper may have been the government's own green paper, it seems to have received substantial support from those most affected by it.

Mr. Lambert (Edmonton West): Silence is not always golden.

Mr. Peters: Mr. Chairman, may I raise a question concerning charities which may have gone into business and which generate a substantial part of their moneys with business? Am I to take it that the provision mentioned would affect, say, neighbourhood services and other organizations in related fields, organizations which sell to the public and whose revenue derived from that operation is used for the purposes of charity? Am I correct in assuming that no matter how much

of the income is derived from such operation, that operation will still be considered as a charity?

Mr. Macdonald (Rosedale): Exactly, Mr. Chairman. The operation, for example, of the Ottawa Neighbourhood Services, which sells clothing and furniture and, in my own city, of the Crippled Civilians, would be exactly the kind of related business which we have in mind.

Mr. Peters: Mr. Chairman, is it the government's intention to exempt these organizations from the charities act, or to bring them under it?

Mr. Macdonald (Rosedale): The intention was to make it clear that if a charitable organization carried on this particular line of business, it would not cease to lose its category as a charity so as to lose exemption from income tax.

The Deputy Chairman: Shall clause 60 carry?

Clause 60 agreed to.

On clause 61—*Assessment.*

Mr. Macdonald (Rosedale): Mr. Chairman, since we are on clause 61, may I make a statement on behalf of my colleague, the Minister of National Revenue? In this context the minister has advised me as follows, and I quote from her letter:

> Where my department has determined the amount of a taxpayer's loss, and that amount differs from the loss reported by the taxpayer, our official determination of the loss will be issued when the taxpayer requests it. This will allow the taxpayer to appeal the determination immediately in all cases where he wishes to do so. My department will be publishing information to taxpayers to explain how they may obtain a loss determination.

That is an indication from my colleague, the Minister of National Revenue, as to how subclause 61(1) of Bill C-22 will operate.

The Deputy Chairman: Shall clause 61 carry?

Clause 61 agreed to.

Clause 62 to 64 inclusive, agreed to.

On clause 65—*Individual surtax.*

Mr. Symes: Mr. Chairman, I see by the clock that but two or three minutes remain for discussing this important clause: discussion is to cease under the iniquitous closure rule imposed on us by the government. We are dealing here with a clause that has to do with the surtax which people earning over $30,000 a year were paying. This provision was introduced in an attempt to make the tax system fair and to complement the work of the Anti-Inflation Board which limited the maximum increases in earnings of ordinary Canadians to $2,400 a year. In the previous budget, the Minister of Finance admitted that it is difficult to keep track of professional incomes which are affected by dividends and other kinds of profit-sharing plans. He therefore wanted to impose a surtax on taxable income over $8,000 to make sure that professionals and other upper income Canadians bear their fair share of the burden of the government's war on inflation.

We find from an examination of Anti-Inflation Board reports that professionals have exceeded the $2,400 maximum, averaging increases of some $4,900 a year. What is more, the present provision in the bill will govern only the surtax for the year 1976: it does not extend it to the year 1977. To that the New Democratic Party seriously objects. If the government were serious about introducing fairness and equity to our income tax system, it would not allow the surtax provision to apply for one year only.

We shall find that, because of the passage of this bill and the elimination of the surtax provision for 1976, a taxpayer whose income is $50,000 will, in 1977, save $402 on his tax bill. Someone earning over $50,000, say someone whose income averages around $80,000, will save $1,654 by virtue of this provision. Someone earning $100,000 will save $2,491, because this surtax will not continue to the tax year 1977. In view of the Prime Minister's statement of October 17, 1975, in which he said that no one will be permitted—

The Deputy Chairman: Order, please. It being 4.20 o'clock p.m., it is my duty to interrupt these proceedings, pursuant to the order made on Monday, January 31, 1977, and put forthwith every question necessary to dispose of the committee of the whole stage of the bill. Shall clause 65 carry?

An hon. Member: On division.

Clause 65 agreed to.

Clauses 66 to 70 inclusive agreed to.

The Deputy Chairman: Shall the amendment to clause 71 carry?

An hon. Member: On division.

Amendment agreed to.

The Deputy Chairman: Shall clause 71 as amended carry?

An hon. Member: On division.

Clause 71 as amended agreed to.

The Deputy Chairman: Shall clause 72 carry?

An hon. Member: On division.

Clause 72 agreed to.

The Deputy Chairman: Shall clause 73 carry?

An hon. Member: On division.

Clause 73 agreed to.

The Deputy Chairman: Shall the amendment to clause 74 carry?

An hon. Member: On division.

Amendment agreed to.

The Deputy Chairman: Shall clause 74 as amended carry?

An hon. Member: On division.

Clause 74 as amended agreed to.

• (1620)

The Deputy Chairman: Shall clause 75 carry?

An hon. Member: On division.

Clause agreed to.

The Deputy Chairman: Shall clause 76 carry?

An hon. Member: On division.

Clause agreed to.

The Deputy Chairman: Shall clause 77 carry?

An hon. Member: On division.

Clause agreed to.

The Deputy Chairman: Shall clause 78 carry?

An hon. Member: On division.

Clause agreed to.

The Deputy Chairman: Shall clause 79 carry?

An hon. Member: On division.

Clause agreed to.

The Deputy Chairman: Shall the amendment to clause 80 carry?

An hon. Member: On division.

Amendment agreed to.

The Deputy Chairman: Shall clause 80 as amended carry?

An hon. Member: On division.

Clause 80 as amended agreed to.

The Deputy Chairman: Shall clause 81 carry?

An hon. Member: On division.

Clause agreed to.

The Deputy Chairman: Shall clause 82 carry?

An hon. Member: On division.

Clause agreed to.

The Deputy Chairman: Shall clause 83 carry?

An hon. Member: On division.

Clause agreed to.

The Deputy Chairman: Shall clause 84 carry?

An hon. Member: On division.

Clause agreed to.

The Deputy Chairman: Shall clause 85 carry?

An hon. Member: On division.

[The Deputy Chairman.]

Clause agreed to.

The Deputy Chairman: Shall clause 86 carry?

An hon. Member: On division.

Clause agreed to.

The Deputy Chairman: Shall clause 87 carry?

An hon. Member: On division.

Clause agreed to.

The Deputy Chairman: Shall schedule I carry?

An hon. Member: On division.

Schedule agreed to.

The Deputy Chairman: Shall the amendment to schedule II carry?

An hon. Member: On division.

Amendment agreed to.

The Deputy Chairman: Shall the schedule as amended carry?

An hon. Member: On division.

Schedule as amended agreed to.

The Deputy Chairman: Shall the title carry?

An hon. Member: On division.

Title agreed to.

Bill reported as amended.

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

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, it is sometimes very revealing and constructive to have debates such as we have had on Bill C-22. Members have revealed their true thoughts about particular situations or issues. One such situation prevented itself last Thursday. The hon. member for Edmonton West (Mr. Lambert), in the debate on childcare deductions, stated that the working spouse is more of a social phenomenon than an economic necessity. He cited a letter which stated that women should stay at home and look after their children, and that children who go through day care centres are almost social monsters. He seemed critical of families where both husbands and wives work and hence benefit from child care deductions, whereas families where the wives do not work receive no benefit. The hon. member went further, calling for joint income tax returns to be filed by a family group. I received a letter from a constituent, a woman. She made some points which the hon. member for Edmonton West failed to take into consideration. I quote from the letter:

Dear John:

I am concerned about the narrow minded opinions that many of the politicians in the Conservative party have with respect to women's rights.

The working woman is not a social phenomenon.

The hon. member stood up last Thursday and said that. All the women on the government benches just sat there and took it. This woman went on in her letter:

For most women a job is a necessity rather than a pastime.

She quoted Sylvia Gelber, a consultant to the federal Department of Labour. This is what Ms. Gelber found:

Adding up the estimated 331,434 women who are the sole support of their families, 925,000 single working women and an estimated 678,035 working wives whose husbands have a median income of $6,454 a year, it is safe to assume that most women work because of economic need.

The letter continues:

On top of that how can anyone assume that the man and not the woman is working for economic necessity. In the case where both the husband and the wife are working, has anyone stopped to ask whether the man is working because he wants to and not because he has to. If these politicians would ask themselves that question they would probably come to the conclusion that society does not question a man's decision to work. But a woman is expected to play the role of housewife and mother and the minute she diverges from that role she is viewed as a social phenomenon, a social anomaly.

This is the typical attitude of the Conservative party. They expect women and other minority groups to behave in a certain manner which is consistent with their stereotypic vision of society.

I am a woman and also a human being. I am not an appendage of my husband and have the right to decide whether I want to work outside the home. Regardless of my husband's salary level, society has no right to impose a certain role on me. The right to decide whether to work in the home or to pursue a career is a matter of individual choice and human rights.

Judy Wasylycia'leis.

I should give the name of the constituent: it is Judy Wasylycia'leis. All I can say to that is "Amen". I wish the Tories would not be so phony on the hustings, representing themselves as the friend of women, the friend of youth, the friend of the unemployed, the friend of labour, the friend of the working class. Then they have the other group, the Bay Street boys. They are their biggest friends and allies. Here is where we see the great allies come together.

When we started the debate on Bill C-22 we tried to point out how regressive this income tax structure is. We watched the Tories defend the legislation. They represent one element in Canadian society—those who have made it. The Tories want to protect the status quo. Bill C-22 is being introduced at a time when study after study is showing that the economic inequality gap in Canada is growing wider. Contrary to Liberal mythology, there is no doubt that the rich are getting richer while the poor are getting poorer. The distribution of wealth in Canada is completely unfair, and we have put together the evidence to support this assertion. The report recently released by the Economic Council is a sad commentary on the existing state of affairs. In 1965 the top one-fifth of the population with an average income of $12,000 a year was getting nine times as much as the average for the bottom fifth's $1,300. Last year, the top group received $29,000, about 11 times as much as the $2,600 in the lowest income group.

● (1630)

Professor Irwin Gillespie of Carleton University did a major study on income distribution in Canada. He is convinced that anyone who believes Canadian society is becoming more egalitarian is living in a dream world. The distribution of money income did not change significantly between 1951 and 1974: the poorest one-fifth had 4.4 per cent in 1951, and 4 per cent in 1974; the richest one-fifth had 42.8 per cent of money income in 1951, and 42.4 per cent in 1974. According to the Senate Committee on Poverty, 27 per cent of Canadian households were under the poverty line in 1973. A more moderate figure of 23 per cent was reported by the Council on Social Development. This means that about one person in four, in one of the richest countries in the world, can be described as poor.

Another revealing study is by Professor N. H. Chi, also of Carleton University. He documents the statement that the gap between the rich and the poor is growing and that this inequality means dire consequences for the stability of Canadian society. I quote from this study:

It is true that economic progress has brought an increase in real per capita income which doubled in the years between 1951 and 1971. However, during the same period, "progress" brought a remarkable and disturbing increase in the level of inequality of income. Except for the years 1951-57, the gap between rich and poor grew wider in the form of a parabolic curve.

Professor Chi clearly documents the relationship between inequality and social problems in Canada. In the years between 1951 and 1971, the rising level of inequality in the distribution of income coincided with a pattern of growing labour unrest which took the form of strikes and lock-outs. It seems that the frustrations from working hard but not getting ahead can also account for the increasing crime rate. Inequality also results in psychological and emotional stress. It is not surprising, therefore, that Professor Chi should have found that mental illness, alcoholism and suicide rates have risen drastically since 1951 and followed the curve of increasing inequality.

The Liberal government says it is concerned about income distribution. But if it is interested, if it is so concerned, why has nothing been done during the nine years during which the Liberals have been in power? Why has it chosen to introduce Bill C-22 which makes the tax system even more regressive than it is now? It can only mean one thing: the Liberal government wants to hold inequality steady, or maybe increase it. Once more the Trudeau administration is insisting that the income tax system, the most logical and efficient instrument for income redistribution, must not be disturbed. Instead of using the tax system to distribute wealth more equitably, the government is allowing the affluent to shelter their incomes with the encouragement of the Income Tax Act. Just as Leonard Shifrin stated on December 29, 1976, in the Ottawa *Citizen*:

This government never ceases to amaze me. Every time I become convinced that it has exhausted all possible means of increasing the maldistribution of income in this country, it confounds me with yet another breathtaking initiative.

While mouthing platitudes about equality and income redistribution, the government is attempting to get away with an increasing number of tax breaks for the rich. It is clear the rich do not have to apply for welfare: they get it free from the Liberals. It is also, clear, from reading Bill C-22, that the true Liberal philosophy goes further than: if you work hard, you

will get to the top. Rather, it is: If you work hard at finding tax loopholes, you will get to the top.

The government's attitude toward taxation is essentially one of making tax-dodging legal. This favours the erosion of the progressive taxation system which encourages those who have the ability to pay to take steps, legally, to minimize their tax contribution. It is this attitude which is largely responsible for the appearance of articles such as that which was published in the *Citizen* on December 20, 1976. The author is Paul Dioguardi—I presume he is an economist—who wrote:

As year-end draws closer, it is time once again to consider ways of minimizing or deferring taxes. Happily, this chore has been made a little easier by a tax bulletin put out by Coopers and Lybrand, chartered accountants. It has touched on some of the important points to be considered in year-end tax planning.

I always thought, Mr. Speaker, that the point of this whole income tax exercise was to determine what it cost to run this country and then to set about collecting taxes from the people, according to their ability to pay, so as to cover the cost of those programs and services. But here we see that anyone engaged in a banking or accountancy business of some kind is given advice about the best way of avoiding the payment of taxes on income. If all of us did that, how would we get the money to run the country and pay for the present level of programs and services?

It seems to me there is only one group which can benefit from that kind of tax-dodging: it is not the working poor; it has to be those who take a lot out of the economy. May I quote now from an article which appeared in the *Financial Post* of December 4 under the heading, "Time running out fast if you want to declare a tax loss this year." This article, by Beatrice Riddell, stated:

Time is fast running out for those who would like to get on with certain tax planning schemes which may reduce or defer 1976 income.

The game of tax-dodging is inherent in the system which creates numerous exemptions and deductions which are beneficial largely to high income earners. The income tax legislation already contains 17 subsidies which cost Canadians approximately $6.4 billion in 1974. The National Council of Welfare calculates that this $6.4 billion could have been used to provide every family in Canada with an extra $100 a month for food and clothing. Instead, it was used to improve the position of the well-off, while the poor whose incomes were below the tax threshold received no benefit at all. Imagine a government expenditure program which gave ten times as much to those with incomes over $25,000 than it did to those with incomes less than $5,000!

● (1640)

A government which is the least bit concerned would have spent this money equally on all sectors. I know that we cannot expect this government to transfer more money to the poor than to the rich, because they are playing a game with the Tories, trying to get the electoral support of people in the upper income brackets. They are trying to prove how much more of a friend to the wealthy they are than the Tories. This is the kind of political game that is being played—a very cynical, hypocritical one.

[Mr. Rodriguez.]

It has been clearly documented that deductions stand the "ability to pay" principle on its head, and that tax credits in fixed amounts, when justified for social reasons, constitute a more equitable distribution of government expenditures. This government has never accepted that principle. I quote from the report entitled "The hidden welfare system":

When a deduction is offered instead of a credit, it means the government has chosen to do in a hidden fashion what it would never do openly—grant bigger subsidies to those of high incomes than to those with low incomes.

In full knowledge of this—not unknowingly, but in full knowledge—this government has chosen, through Bill C-22, to further increase the number of tax deductions and deferrals, which can only add to the regressivity of the way Canadians pay their income taxes. Amazingly, it has increased deductions for registered pension plans, registered retirement savings plans, child care and disability allowances.

Mr. Symes: And who benefits?

Mr. Rodriguez: The hon. member for Sault Ste. Marie asks, who benefits? We know who benefits. We have been through this bill clause by clause and we have tried to amass the facts and to present the picture of who actually benefits from Bill C-22. Contrary to what the Minister of Finance said last Monday, we in this party who have tried to examine this bill in detail are not ill-advised, as he suggested we are. Even if the minister could prove that deductions through pension plans benefit the middle income taxpayers, he has not shown how such plans will benefit the poor who have no hope of saving money for retirement.

The minister has not proven to us how the poor people are going to benefit by increasing the tax free amounts that are being invested in registered retirement savings plans. He also ignores the fact that the RRSP is not being used primarily as a means of saving for retirement; rather, the RRSP is being used by middle and high income earners as a means of escaping taxes owed. As Mr. Dioguardi stated in his column in the *Citizen* of January 31 last:

It is high time taxpayers considered pursuing the noble goal of wresting a few dollars from the tax collector's greedy grasp. The most straightforward method to achieve this goal involves the tried and true registered retirement savings plan.

Mr. Speaker, isn't that something? Even the hon. member for Edmonton West has got to admit that is pretty blatant.

Mr. Lambert (Edmonton West): Your view is that they are designed to be taxed.

Mr. Rodriguez: A progressive tax system should be designed so that every man pays his fair share of taxes on what he earns. It should not be designed so that a man can manipulate the tax system and write things off, because poor people cannot take advantage of that. That has not got through his thick skull yet. That is the problem with you Tories. It takes a long time for any idea to sink through your thick skulls. As my mother used to say, you have got to be a numbskull. I just do not understand it, Mr. Speaker. Surely every member of the House can understand that except the hon. member for

Edmonton West. We have told them once, if we have told them a thousand times.

Mr. Knowles (Winnipeg North Centre): He is not alone; there are a few others like him.

Mr. Rodriguez: But they always run him up to the front to make a speech to defend the "haves" in this country. Then they get someone from Atlantic Canada to make a speech on behalf of the "have-nots", so they can suck and blow at the same time. They do that consistently in this House. They did it when we were debating the unemployment insurance bill when it was before the House. They have done that all down the line.

Let us look at three examples which show how the RRSP is used as a means of tax-dodging. I would like the hon. member for Edmonton West to tell the House how poor people earning under $10,000 a year can take advantage of these tax dodges. The first way of using an RRSP as a tax dodge is the spousal RRSP, which can be used to split income. The husband who is in a high income range can use the RRSP to divert funds to his wife, who will pay tax at a lower rate when the funds are repatriated.

Secondly, an RRSP can be used effectively to convert part of a taxpayer's home mortgage interest expense into tax deductible interest. These are tax dodges, Mr. Speaker, and surely that is not what an RRSP was set up to be. Surely it was set up so people can save, and then when they retire get an income. Is the purpose of an RRSP that it be used as a tax dodge? If so, it is not fair. There is not a Tory or a Liberal in the House who can stand up and tell me point-blank that it is fair. It is lousy, and they ought to be ashamed of themselves.

Mr. Lambert (Edmonton West): But that can be done even by a man earning $6,000.

Mr. Rodriguez: A lot of guys who are earning $6,000 can go to the bank and borrow $2,000. Bill C-16 has to do with giving low income earners an opportunity to get credit when they need it.

Mr. Lambert (Edmonton West): There are a lot more honest people earning $6,000 than you would admit.

Mr. Rodriguez: Thirdly, an individual who invests in an RRSP can defer the tax on the accumulated earnings of his annuity plan while deducting the interest cost of the money borrowed to invest in the annuity. That is a neat dodge. I suppose that anyone earning less than $10,000 can walk into his friendly bank manager's office and borrow $2,500. But, by golly, his wife cannot go down to the bank and do that because sometimes banks do not recognize that a wife can be a wage earner in her own right, and they may refuse to grant her a loan or they only consider 50 per cent of her salary for loan purposes. That is discriminatory. I do not hear the great defender of the banking system talking about such discriminatory aspects, yet he has the gall to stand in this House and declare that the working woman is a social phenomenon. I think working Tories are a social phenomenon.

Mr. Darling: There are more working Tories than there are working NDP'ers.

Mr. Rodriguez: If you want to make a speech, go and sit in your own seat.

Mr. Lambert (Edmonton West): We are not as sanctimonious as you are.

Mr. Rodriguez: I know that. Another example of the regressive nature of this bill is to be found in clause 21 which increases deductions for child care expenses from $500 to $1,000 per child, and the per family maximum from $2,000 to $4,000. The National Council of Welfare has illustrated how the tax saving from this deduction is substantially more beneficial to the wealthy than to the lower income groups. At the $10,000 level, such a $1,000 deduction would be worth $210, while in the $50,000 plus category it is worth $410. Last Monday, the Minister of Finance claimed that the quarter of a million of Canadians who claimed child care allowance stand to benefit from the increase. I am afraid that the minister misses the point completely and this type of deduction maintains constant inequality. The greater the deduction, the greater the inequality. Members on the government benches over there seem to operate on the principle that all persons are equal, except that some are more equal than others.

• (1650)

Not only does this bill deliberately improve the tax position of the middle and upper income earners; it does absolutely nothing to plug the existing loopholes which turn the ability to pay principle upside down. It does nothing to change the fact that in 1974 deletions from the accounts of income tax revenue that could not be collected because the taxpayers were no longer resident in Canada amounted to $850,000 owed by 161 taxpayers. Why are the names of those tax dodgers not published? What effort is the Department of National Revenue making to collect the money that these people owe the people of Canada?

It does nothing to change the fact that in 1974, 252 persons who made over $50,000 paid no tax at all, and 17 of them had incomes of over $200,000. These are the kind of people for whom the frontbench Tories stand up all the time. We saw one standing up for John Doyle—a nice working-class Canadian! That is the kind of defence they put up. When we defend people in the House, I can assure you we do not defend people such as John Doyle, or Bell Canada; we talk about working-class Canadians.

This bill does nothing to change the fact that professionals who want to avoid paying taxes set up dummy companies since small businesses pay taxes at a lower rate compared with marginal rates in the personal income tax system. Bill C-22 does nothing to change the fact that interest costs on money borrowed for the purpose of investing in something that may ultimately earn income for the taxpayer are deductible for the year in which the expense is incurred. We can look at the example which was provided by that Liberal in Manitoba whom everyone knows: they call him Dizzy Asper.

Mr. Stevens: They are giving him $7 million.

Mr. Rodriguez: He has probably been commissioned by the Liberals to do some consulting work. They either make them Loto Canada distributors or send them letters telling them how to make a tax claim 60 days after the taxation year is over. The same people who write the tax laws are the ones who interpret them. I am telling you, they have it made.

Some hon. Members: Oh, oh!

Mr. Rodriguez: If any hon. member wishes to make a speech, I will listen to him. If he does not have the courage to stand up and make a speech, let him go behind the curtains and sip his tea. Here is an example of the way in which Mr. Asper suggests things should be done. He says:

> Jones earns $100,000 a year and pays $50,000 in tax.

I will need the hon. member for Edmonton West (Mr. Lambert) to help me with this one. It goes on to read:

> He borrows $1 million on January 1 at 10 per cent interest and secures the loan by a stock portfolio of $1 million in cost, which he bought with the bank loan. On December 31 of that year he has incurred an interest cost of $100,000 which he offsets against his $1,000,000 income—

There it is. Voilà, says Mr. Asper, no tax! At least we know that the man who borrowed $1 million from Obront paid a fair interest on it: he borrowed $1 million and paid $1½ million in interest. That is the kind of interest I am prepared to accept.

Finally, this bill does nothing to stop income-splitting or loans made by a husband to a spouse, or a father to his children, on an interest-free basis. The consequences of this are best revealed by another piece of advice from Mr. Asper which appeared in the *Globe and Mail*. This guy Asper is a fount of information on tax-dodging.

Mr. Leggatt: He is a Liberal.

Mr. Rodriguez: His buddy wrote it. He was probably consulted. Here is his suggestion:

> The father who is in the 60 per cent tax bracket and has a wife and three children (it gets even more exciting when there are grandchildren) can lend his brood $400,000, interest-free, which they invest in 10 per cent preferred shares. Assuming they have no other income, the $40,000 they collectively receive in dividends will bear no tax because of the Canadian dividend tax credit system.

The only little touch in that is that you must have $400,000 to lend. You can walk to a bank and get a $400,000 credit. I am sure that the miners in Nickel Belt and the steelworkers in Sault Ste. Marie can walk to the Imperial Bank or to the Royal Bank of Canada and say, "Boys, I want to borrow 400,000 bucks"! This is the way in which the experts and the Liberals view the tax system. This is not a method of paying one's fair share to support the country and to support the programs of the country. They use the tax system to dodge taxes.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for York-Sunbury (Mr. Howie)—Energy—Participation in maritime energy pool and construction of generating plants; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Energy—Government measures to increase exploration in frontier areas.

Order, please. It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions and public bills.

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Turner): Notice of motion no. 4, in the name of the hon. member for Ottawa-Vanier (Mr. Gauthier).

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): The motion stands at the request of the government. Notice of motion No. 7, in the name of the hon. member for Humber-St.George's-St.Barbe (Mr. Marshall).

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): The motion stands at the request of the government.

Mr. Douglas (Bruce-Grey): Mr. Speaker, I believe there is agreement among the House leaders to continue with motion No. 20, in the name of the hon. member for Bellechasse (Mr. Lambert).

● (1700)

[*Translation*]

SOCIAL SECURITY

SUGGESTED LEGISLATION TO ESTABLISH GUARANTEED ANNUAL INCOME PLAN

Mr. Adrien Lambert (Bellechasse) moved:

That, in the opinion of this house, the government should consider the advisability of introducing legislation to establish a guaranteed annual income plan, which should be designed to encourage any able-bodied person to work, in order to correct the social injustices resulting from existing legislation.

He said: Mr. Speaker, my motion No. 20 was allowed to stand last Monday at the request of the government on account of a storm in my riding. The same thing is happening today to a representative from Nova Scotia. Therefore, it is through an arrangement made by two parliamentarians that the motion standing in my name is called at this time.

I do not have to go over the motion just read by the Speaker because every member in this House knows about it. However, for the benefit of Canadian citizens as a whole, I must say first of all that I myself could have introduced such a piece of legislation to this effect. But, because of current procedures in the House of Commons, an hon. member is not allowed to introduce a bill involving expenditures of taxpayers' money. That privilege is now granted the ministers of the Crown alone, though they must be, first and foremost, members of the House of Commons. That is why an hon. member who is not a minister, regardless of whether he belongs to the majority party or even the Liberal party, now in power, does not have the privilege of introducing a bill involving the expenditure of money. That rule is a very old British tradition. However, it should be changed to meet the needs of Canadian aspirations in 1977.

To my mind, true democracy should differ from what we have known to date. As parliament is the general assembly of all the representatives of the Canadian people, I cannot see why that assembly should not be, in fact, the supreme authority in the land. The supreme will of the people could then be executed by the executive council known as the council or the cabinet of ministers presided over by the Prime Minister, and as such, designated by the representatives of the party in the majority.

Mr. Speaker, to be efficient and beneficial to all Canadian citizens, the economic system of a country such as ours should be able to ensure each and everyone a decent subsistence. For that, it must be constituted properly and only on that condition will it achieve its end, namely enable each and everyone to meet his needs. To achieve that end, the Social Credit Party of Canada has suggested one means: the distribution, periodically, of a monthly dividend to all Canadians; in other words, giving each citizen in the country the benefit of a discount equal to the GNP surplus after the deduction of public expenditures for the various public services given to the citizens by the state.

The surplus should be refunded to the public either as a rebate such as in a co-operative or as dividends in a capital stock company or as guaranteed annual income to each citizen. It does not matter, the words or names are not important, but the results obtained and enjoyed by each Canadian are, whatever may be his age, status, social position.

When Mr. Douglas, the author of the social credit philosophy submitted that formula, the economists were laughing at him since they considered his policy utopian, that is an ideology which is logical but impracticable in the orthodox financial conditions under which we are living.

Now, since 1935 while that man was suggesting that citizens of a community such as Canada should enjoy social benefits as a cultural heritage, namely old age security pension, family allowances, national dividend, compensated discount, we have accomplished much progress and members of parliament and society itself are more than ever supporting the principle.

I remember reading over and over again the encyclics of Popes Leo XIII and Pius XI on the social and economic problems of the years 1891 to 1931 and which contained direct recommendations to governments for implementing policies devised to help workers and small farmers and earners, such as family allowances and a guaranteed family income.

I also remember this favorite phrase of our labour leaders: equal pay for equal work, but to everyone according to his needs. That created astonishment at first, but as time elapsed, the idea made its way, so that it was finally accepted that women were entitled to equal pay and to a decent family income. That is why the legislation authorizing the payment of family allowances was finally passed by the Canadian parliament.

May I remind you, Mr. Speaker, that from 1930 to 1945, I was, among many others, an advocate of the family allowances policy. With astonishing impudence, egotistical and blind opponents despised us as utopians because we believed that each family was entitled to an income proportionate to its needs and that the state had to pay family allowances to families according to the number of children and the economic wealth of the country. We were then charged with being communists. Yet God knows we are not champions of Karl Marx's doctrine, but supporters of free enterprise. That does not mean we are in favour of the capitalist philosophy, which would allow the powerful under the present capitalist system to realize excessive profits by every means, even by exploiting the poor because they are defenceless.

We believe a responsible government's role is to monitor the development of economic activities and prevent the powerful from taking unfair advantage of the underprivileged as it is unfortunately too often the case today. It is not the capitalist system which is bad per se, but rather the excesses of capitalism. That is why we must open our eyes to the truth, however hard and bitter it may be. The capitalist system will be reformed by men of order, or it will be destroyed by the others.

● (1710)

In my opinion, it will not remain as it is under its present form, which is not totally bad, but its operation will. We have all if not chosen at least accepted to live within a society because we saw that it was more advantageous to live so and that under this formula we could meet our needs more efficiently. Nevertheless, this society life offers in itself many advantages, which I do not have time to list, but anyone can discover them by thinking a little.

However, despite all the advantages it offers, this life within a society also means that each citizen incurs obligations which he must accept and meet: there could be no rights without obligations. This is, in my opinion, the true democracy. This being said, it does not mean that the state does not have duties towards the community. Its duty is to administer the community wealth to the advantage of everybody and make sure that human capital and money capital get their share from this association but that the latter does not exploit human capital and work capital, as it is unfortunately the case too often.

Second, taking into consideration the performance and the effectiveness of the combined efforts of human capital with money capital, the state must from year to year make a compilation and then ensure that human capital and money capital get their share without injustice for the other form of capital that is human capital. The share accruing to human capital will be distributed in the form of guaranteed annual income and salaries while the share accruing to money capital will be distributed during the fiscal year in the form of profits and dividends at the end of the business fiscal year.

Now, if you examine the rather constant increase in gross national output you find that human capital did not get its share regularly, hence the blatant social injustices which gnaw at society. That is why there is an immediate need to introduce an annual guaranteed income plan which first would provide people 60 years of age or over as well as widows and handicapped people with an income allowing everyone of those people to meet their needs and then those of the Canadian society as a whole.

As of April 1, 1976, Canada spent nearly $4 billion to provide some form of annual income to people 60 years of age or over. In addition, at the same date, Canada spent $1,957 million on family allowances for 7,900,000 children between the ages of 0 to 18. So we still have to make all other people between the ages of 18 and 59 eligible for a guaranteed annual income, as follows: 3 million people between the ages of 19 to 25; 4,700,000 people between the ages of 26 to 40; 2,547,000 people between the ages of 41 to 50; as well as 1,960,000 people between the ages of 51 to 59. There are 6,154,700 males, and 6,095,200 females, for a total of 12,249,900 people—a little more than half the population of this country.

We must therefore conclude that this group is responsible for the major part of economic activities and that the same goes for income tax, which is the main source of revenue for the state. This group of citizens is entitled to its share, and the state must recognize this by establishing a guaranteed annual income plan such as we have been promoting for many years under the honest and thoughtful direction of our lamented leader who was also a great Canadian, Réal Caouette, whose premature death I and many other Canadians deplore. Mr. Speaker, this political leader spent a large portion of his life promoting an economic and monetary reform based on the philosophy of Major Douglas aimed at establishing an economic system which would be fairer to all Canadians, whatever their language and religion. Of course, people who have wanted to preserve a *status quo* to make a profit have ridiculed the theories of Mr. Douglas, even though they were accepted by many serious people, like Mr. Aberhart, Alberta premier for many years, Mr. Bennett, from British Columbia, Mr. Goldsborough, from the House of Representatives of the United States, and Mr. Réal Caouette and his colleagues in the Canadian parliament.

Mr. Réal Caouette very often stated in this parliament his views about including in our statutes this formula of a guaranteed annual income so as to provide everyone with a sufficient income. I am certain that this formula will one day be included in the statutes of Canada, but the longer this is postponed, the more serious our problems will become and the greater the inequities of the system will be.

It is time to act. To make a choice is evidence of maturity, like the right hon. Prime Minister (Mr. Trudeau) said in Quebec City on January 28, 1977. This is what Mr. Réal Caouette did, this is what thousands of Canadians have done, this is what my colleagues and I have done when we chose a socially distributed credit system instead of the credit-debt system that we have been using since the beginning of our Confederation, on July 1, 1867, and which no longer meets the needs of today.

At that time, the debt of Canada was $79 million, but it is now $64 billion. This choice of the credit debt system is impoverishing us and forcing us to pay $15 million a day in interest when we could do something else without printing dollar bills, like the Prime Minister said, but by taking into account the efficiency and production of all Canadians, like Social Crediters suggest, and by making the accounting mechanism of the Bank of Canada follow. We, of the Social Credit Party of Canada, propose a change in our financial system. Why? Because we sincerely believe that the present system no longer meets our needs.

In a democracy, it is normal to want to change the tools which no longer correspond to today's realities. We are conscious of these realities and this is why we insist on asking for a change in the financial system so as to establish in the near future a guaranteed annual income system, based on the collective performance rather than the debts of Canadians.

A few years ago, many people in important positions and otherwise mocked the economic and monetary reform suggestions of Mr. Réal Caouette and the Social Party of Canada, but today, all honest and serious politicians realize that the guaranteed annual income formula is very valuable and should be implemented if we really want to control misery and settle the two problems of inflation and unemployment. Very knowledgeable people, Mr. Speaker, consider a guaranteed annual

income program as the first step towards a kind of family income, an equitable redistribution of the national wealth in this country.

It is important that we pass as soon as possible a bill designed to fill the gap between the lower and upper income brackets in this country. I believe it is most urgent and pressing that the level of guaranteed income be high enough to ensure a decent life and a full involvement in Canadian society. Sharing of the national wealth of Canada is ill-organized at present and maintains many of our fellow citizens in misery. This situation should be of serious concern to all those who take some interest in the future of our country.

The guaranteed annual income constitutes an income supplement which benefits poor workers, small farmers, small fishermen, non-organized as well as union workers, employees on a temporary or seasonal job, and even more like widows who have not yet reached the age of 60. A guaranteed annual income system on a national basis is workable. Canada is in a position to do it both on the economic and financial point of view. Surely we should bring about a reform to give back to the government of Canada absolute control over its money and in particular over the coining of its credit. It is in prospect—

● (1720)

[*English*]

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with the unanimous consent of the House. Does the hon. member have unanimous consent to continue?

Some hon. Members: Agreed.

[*Translation*]

Mr. Lambert (Bellechasse): Thank you, dear colleagues. You may feel sure I will not abuse this. I make it a habit of being true to my word.

An hon. Member: Quite right!

Mr. Lambert (Bellechasse): It is with a view to getting results that I put forward Bill C-206, under which the Bank of Canada would be given extra powers to finance the Canadian and provincial governments without the need to borrow abroad.

Canadians are now supporting a tremendous tax burden in respect of interests on our national debt, and as I indicated Friday last we do not even know who that goes to. Let us put an end to the era of public ignorance in that area, they deserve to be better informed. Let us work together to break open the financial mystique, that profitable myth which is a boon to financiers at the cost of much hardship to and grumbling from the public.

In conclusion, Mr. Speaker, I urge every member in this House to take this pioneering and courageous step. Let us invite the government to introduce legislation for a guaranteed annual income. Such an enlightened proposal would be a guarantee of social peace and prosperity in Canada. I am more convinced than ever that if implemented such a guaranteed annual income would help motivate many workers to contribute more fully through their work to an increased Canadian productivity. Such a work incentive would be far better than the current system that discourages too many people from working.

Thank you, Mr. Speaker, and through you I thank my colleagues once more for this opportunity to complete my remarks on the motion I had the privilege to put forward today.

[*English*]

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I am pleased to participate in the debate on the motion of the hon. member for Bellechasse (Mr. Lambert) concerning a guaranteed annual income plan. I am sure hon. members on all sides of the House highly esteem the hon. member for the sincerity with which he has brought forward his motion and spoken today. Since I have been a member of this House I have heard the hon. member more than once raise this issue and speak in support of it forcefully and strongly. I think most members of the House, myself included, support the hon. member to some degree when he says that a guaranteed annual income is important; but it is important to make sure that it will provide an incentive to work, not a disincentive to work. That concept, I think, will find general support on both sides of the House.

As the hon. member said, the government recognizes the importance of this general area and has committed itself to a course of action which essentially bears on the matters the hon. member raised in his motion. As hon. members know, early in 1973 the government initiated action for meeting objectives set out in the motion raised this afternoon. At that time, the Minister of National Health and Welfare (Mr. Lalonde) tabled in this House a working paper on social security in Canada and, as well, chaired a joint federal-provincial social security review. During the course of that review many major initiatives were taken which have contributed greatly to the attainment of the type of income security system which presumably is the fundamental objective for Canadians of the motion of the hon. member for Bellechasse.

During the course of the review, a wide range of improvement to the over-all income security system for Canadians was put into effect. In addition, the social security system also saw the emergence of a system of income support and supplementation which would replace Canada's current welfare system. The Minister of National Health and Welfare advanced these proposals, which constituted a form of guaranteed annual income system, to his provincial colleagues one year ago—last February.

The reform of Canada's welfare system, a reform which would be effected by the implementation of these proposals, conforms precisely to the objective as set forth in the motion of the hon. member who spoke so well this afternoon. In his motion, the hon. member for Bellechasse called our attention to the necessity of ensuring that any guaranteed income system provides strong incentives for productivity and self-reli-

ance of those who can work. That same concern was voiced as a matter of top priority throughout the course of the social security review. Indeed, the first proposal of the working paper on social security stated:

—the income security system should remove any disincentives which may exist to discourage people who are on social assistance from taking advantage of the training and employment opportunities available to them, and thus from becoming wholly self-dependent. It should also take care to eliminate any incentive which may now exist for people to shift from employment to social assistance, by reason of the higher benefits which might thus be obtained.

I subscribe strongly to the views I have just quoted. If the hon. member will read my speech delivered in the throne speech debate, he will note that I spoke at length about productivity and the need to make sure that our social security system in Canada helps people to enter and remain in the work force and be useful citizens, and that it should not encourage them to go on welfare or leave the work force since any such encouragement in the long run would not be of service to our people.

The hon. member raised certain of the concerns which were raised in the social security review. It is true that our current welfare system provides some Canadians with disincentives to work which are very real. As a member of parliament, I have talked to many people who have voiced such concerns. Although it is true that there are disincentives in the system, I would argue that they are not as widespread as many people seem to think. On the other hand, we would be wrong to contend that there are no disincentives in the system. For many persons currently on provincial social assistance there are powerful financial disincentives associated with return to employment. In some instances, for every dollar they earn they lose a dollar of social assistance; that is, they face a marginal tax rate of 100 per cent on their earnings.

If other Canadians were to face the same tax rate, they would not remain silent. I am sure that the effectiveness of this disincentive needs no further elaboration. Indeed, when compulsory deductions and work-related expenses are taken into account the recipient may face the unappealing prospect of exchanging $1 of social assistance for 80 cents or 90 cents of take-home pay. In some cases, accepting even part-time employment can lead to total loss of benefits. In addition, return to employment can mean the loss of a whole array of benefits in kind, such as dental care and subsidized housing. From a financial point of view at least there is real substance to the complaint that some people are better off on welfare than they are working. I am sure all members of the House will agree that this is wrong.

These financial disincentives are often reinforced by failure at the administrative level to assist the recipients to translate into reality the desire to return to employment. There is no question that the vast majority of people on welfare have special problems in terms of finding and keeping jobs. Often many of them are marginally attached to the work force. Quite often these people have had serious industrial accidents. Perhaps they have low qualifications for jobs that have an increased technology factor. Often the resources made available for equipping these people to overcome these problems are virtually non-existent. I wish to depart for a moment to speak about one of the major concerns I have in this area.

[Mr. Milne.]

● (1730)

I understand all provinces have some form of workmen's compensation. This is an area that should be studied. Many of my constituents who have been injured have come to seek my assistance. They have had a period of time on workmen's compensation benefits. They have received some therapy in an attempt to restore them to the work force. However, often the part of a person that is most seriously damaged is the emotional system. A person whose hand has been crippled may still have some use of it, but he cannot do his job as well as he could previously. It therefore becomes difficult to be at ease in his former work situation.

Many of these people become unemployed and subsequently look for other work. Because of some degree of disability they may find it very difficult to find an attachment to the work force. Ultimately they end up on social security, welfare, if you want to use that term, municipally administered. That is how they sustain themselves and quite often their families. What we need is an intermediate step that would assist these people to move back into the work force.

People coming off workmen's compensation benefits who cannot attach themselves to the work force are often faced with a situation that seems to be more prevalent than many of us would like to admit. They may have worked for an employer who has very little patience with people who have physical disabilities caused by an injury in their own plants and so they are subsequently laid off. I really have difficulty understanding the consciences of employers who do that. It happens more often than any of us would care to admit.

I feel very strongly about these people. Even though they were once productive, loyal employees, they end up in a welfare situation. Once they have this emotional problem, it is very difficult to get them back into the work force. It should be pointed out that many of them would actually lose money by returning to work because they cannot get back their old jobs, or one that pays at a level high enough to make it worth their while. We set up a whole syndrome for people to become dependent on these benefits. The situation talked about in the review of gradually working back into the work force and being allowed to keep many of the benefits would be very desirable.

I had not intended to digress in this manner, but in the past two or three weeks I have had a number of representations from constituents who have had industrial accidents. They are deemed to be physically well by those who are trying to rehabilitate them. However, because of emotional damage they have great difficulty returning to work and coping with the noise, emotion, and stress put on them by work with which they were originally quite able to cope. Often this results in a conflict between that type of person and his employer, and his employment is terminated. Such a person finds himself in the position of having somewhat of a physical disability and a very large emotional disability as the result of not having a job. It is

soul destroying to watch these people lose their self-esteem and respect.

In terms of the motion put forward by the hon. member and the review of the social assistance program, we want to ensure that we have some means of helping these people who are affected by the types of problems about which I have been talking. There are hundreds of thousands of Canadians who are clinging to their independence despite the fact that, in financial terms at least, they would be better off on welfare. These are the working poor. They want to work, work hard, but are rewarded very little for doing so.

Many of the people I was talking about a moment ago have some form of disability, either physical or emotional, as a result of an industrial accident. Only a small proportion of them have any contact with the world of welfare. Most of them do not. That is a testimony to the value Canadians put on self-reliance and the work ethic.

We often hear that no one wants to work any more. Quite a lot is made of that when criticism is made of social programs we have to help people. I take issue with that.

I represent a constituency that probably has one of the highest average incomes in all of Canada. However, there are thousands of people in my constituency, and I am sure in the constituencies of almost every member, who are not at the high end of the income scale. These people want very much to work. However, because of their qualifications and how life unfolded for them, they do not receive a very high financial return for their endeavours. In fact many of them, with technology changing in the work force as much as it is, find themselves in a very difficult position. Rather than forcing these people out of the work force, there ought to be some kind of assistance for them. Programs must be organized to help these people supplement their income. It must be done in a way that ensures these people stay in the work force in the meantime.

A good many of these people have families, perhaps families that are larger in number than those of higher income people. Most of them have paying jobs year round, but their income is inadequate relative to their responsibilities. Other members of the family, other than the principal wage earner, have to go into the work force just to make sure the family unit can survive. I note that a typical family of four in this group would earn between $4,000 and $8,000 a year.

Removing the inequities that exist between these people and those currently on welfare is essential. We must reinforce their self-reliance and provide incentives that reward them rather than create disincentives further inducing them to withdraw from the labour force.

The hon. member's motion implies there are other problems which plague Canada's welfare system. There exists currently a bewildering array of federal, provincial, and municipal programs with related objectives in the area of income maintenance. Not only do the provisions in terms of benefits, conditions of eligibility and so on vary widely, but there is no consistency from one program to the next even on such basic terms of reference as the definition of income and the definition of a family unit.

Anyone who doubts that statement need only spend sometime in a constituency office trying to help those who come for advice and for whatever assistance their MP can give. They are really bewildered as to who is responsible for which program. Many people are of the opinion that a municipal welfare program is a program of the federal government and administered by it.

Even with regard to old age security, in terms of understanding the old age pension and the guaranteed income supplement and, in the province of Ontario, the Gains program, there is very great difficulty. This has to be sincerely studied. The federal proposals for income support and supplementation came to grips squarely with these problems. Unlike the current system, the proposals would ensure that the total financial rewards to those who work always exceed the benefits given those who do not work.

● (1740)

In addition to provisions for justifiable work-related expenses and compulsory deductions at source, "tax-back" rates for those on support could be reduced to 70 per cent. That is, for every dollar earned, the recipient would keep 30 cents while the remaining 70 cents would go toward reducing the social assistance benefit. Income supplementation would be made available to the most vulnerable members of the working poor—families with children, and singles and couples over 54. It would ensure that they need not fall back into the support system in the face of inadequate returns from employment. Those, such as young single individuals who are better able to increase their earnings through occupational or geographic mobility, would not be eligible for supplementation.

While the benefits available through supplementation are modest by most standards—a maximum of $80 per month for a family of four—they would be a welcome addition to the incomes of families currently struggling hard just to stay afloat. Furthermore, the "tax-back" rate on earnings in supplementation would provide an effective work incentive. For every dollar earned the recipient would keep 65 cents, while the remaining 35 cents would go to reduce the supplementary benefit. Thus the proposals would put in place strong and sensible financial incentives toward work and self-reliance.

These financial incentives would be reinforced by a requirement for periodic employment availability assessment of all recipients of both support and supplementation. To ensure a level of national consistency in this critically important feature of the system, the federal government has put forward a set of guidelines for these assessments. These guidelines require that an assessment be applied to all family units applying for benefits. Furthermore, the assessment would apply to all potential earners within each family, consistent with the objective of distributing available employment among applicant families in such a way as to minimize reliance on public support.

The Acting Speaker (Mr. Turner): Order. I regret to interrupt the hon. parliamentary secretary, but his allotted time has expired.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to commend the hon. member for Bellechasse (Mr. Lambert) on bringing before us again today the idea of a guaranteed annual income. I understand that one of his colleagues hopes to be able to say a few words, and therefore I shall keep my remarks brief.

I could not be expected to agree with everything the hon. member said in his interesting speech, but with the main proposal he put forward I am in enthusiastic agreement. I doubt that the hon. member for Peel-Dufferin-Simcoe (Mr. Milne) is aware of what is involved in the concept of a guaranteed annual income otherwise he could hardly have contended that the government side of the House is moving in that direction. The government's review of social security is aimed at ironing out some of the injustices and difficulties which are in our present social security welfare programs, but the guaranteed annual income concept which we hold over here is really an attempt to put society itself on a more just and fairer basis.

As the hon. member for Bellechasse said, what he is asking is that the incomes people have be based on our production as a nation. The basic fact of a society like ours is that the production of wealth is a social process, a social accomplishment. It is not done individualistically any more. It is done by society. The sooner we realize that participation in our society involves the right to be in the work process but also the right to share the goods we produce on a reasonably equal basis, the sooner we will make progress.

We have moved in that direction in a number of ways. Indeed, the best things about our society are the things which we provide universally—education, hospitalization, health care, roads and highways, police and fire protection and those kinds of things, plus pensions on a universal basis to a considerable extent. I look forward to the day when we will have the kind of demogrant which hon. members over here are talking about and which we have been talking about for years. I insist that when that day comes it should be not on a means test basis but on the basis of an allowance that goes to people because they are people, because they are here, because they are part of the Canadian family. If some get too much, let the income tax system then take care of that. Therefore, Mr. Speaker, I like the idea that is before us. Let us get started on it soon. If we cannot start it soon for everybody then I should like to see it started soon for veterans. We could then do away with the means tests, the health tests and all the rest. We could say to all veterans over a certain age "Here is your guaranteed income for life."

At any rate, Mr. Speaker, I said I would try to be brief. I welcome this debate. I welcome this idea being thrown open for discussion today. If there are some who say it is futuristic and that it will take a long time to come, like a few others in this House I can say that I have been here long enough to see ideas, which were regarded as impossible when I first came here, actually realized. I believe Canadians want a better society and that this whole idea of a universal demogrant or a guaranteed income for all our people moves in that direction.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, time is running fast and as I want to be brief, I will sum up a little bit.

In February 1976, the Minister of National Health and Welfare (Mr. Lalonde) distributed written information on the federal proposals concerning income support and supplementation. On page 6, paragraph (b) of that document, we can read and I quote:

> (b) That families drawing support allocations be subject to a minimum 70 per cent reduction rate on gains, pensions and other incomes from private source. In other words, every dollar earned would bring about a 70 cents reduction of the support allocation—

Mr. Speaker, that formula the minister stated last year and which is explained in the brief he submitted to the House of Commons is to penalize people who work and follows the same philosophy as all existing legislation that is to deprive people who work to give to those who do not work. And people are tired of all this, because the one who works is at the same level as the one who does not work. There is hardly any difference between the two people.

That social system, Mr. Speaker, which is widely accepted today is rotten and disastrous for those who work as well as for those who do not work. For instance as we know some people work for a while and when they have enough unemployment stamps they quit and draw unemployment insurance benefits. Then they get another job only to join the unemployed again. They go back to work and once more fall victim to unemployment and the whole thing starts up all over again. At the end of the year, they have worked six months, pay less income tax, received unemployment insurance or welfare benefits while often getting a hidden supplementary income. Most employers nowadays—it is common knowledge—are unable to keep their employees. There is a monthly staff turnover of at least 20 per cent. Every month they must train at least 20 per cent of their personnel who work only long enough to get the number of stamps required to qualify for unemployment insurance.

Moreover, how many workers do we see nowadays who are not the least interested in working overtime because the net salary for overtime is about the same to the net salary for their regular hours because income tax is killing the desire to work. Our current non-social laws are based on such a socialistic mentality. It is bad for the population itself and for the country's economy. If all the unemployed workers and welfare recipients in the country had a guaranteed annual income as advocated today by my colleague, the member for Bellechasse (Mr. Lambert), and as recommended by the Social Crediters in Canada for over 30 years and by a social and non socialistic measure, the difference between a guaranteed annual income as we are proposing today and a redistribution of income and a socialistic formula, our national production could jump by 40 per cent if we put to work all those who are able to work today and are living off unemployment insurance and welfare benefits.

With a 40 per cent increase in national production, we would not have to take from the workers to give to those who are not working. Everyone would be better off without the government having to take away from anyone. As he has said on many occasions, the right hon. Prime Minister (Mr. Trudeau) would take from those who have to give to those who are not working anymore and those who do not want to work anymore, so that everyone would be on the same level. He wants to make everyone equally poor.

Mr. Speaker, before beginning to talk about charity in Canada, we should begin by talking about social justice and distribution justice because it is unthinkable to want to do charity when a country does not respect justice first of all because anyone can take from his neighbour to give to charity. Can the country spoliate those who work, in order to give those who have lost the courage to work because of work disincentives? I hope that if and when the Minister of National Health and Welfare tables information on his formula for a guaranteed annual income, his first aim will be social justice rather than social charity. Because there can be no effective social charity in Canada if we do not have first the social justice that would allow someone who earned something through his work to enjoy and retain it.

Mr. Speaker, if the government starts taking away the result of an individual's work to give it to those who would not work because of work disincentives, before long we will have a society where nobody works anymore, where nobody contributes anything to Canada's production and where everyone expects social help, some source of social pittance. Call it welfare allowance, unemployment insurance benefits, Works Canada or what have you. Such programs are work disincentives that in the current economic context induce people to count on some pittance, to live at the government's expense.

• (1750)

[*English*]

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I believe there is a fair amount of ignorance in Canada about our federal social security legislation. A great many people say that the government is trying to assume responsibilities that its own citizens should take unto themselves, that the government should abdicate its paternalistic role. However, there is no real foundation for this belief, since it is almost universally accepted that in some situations people are in definite need of income support and supplementation in addition to social and health services.

The federal government has been reviewing and discussing possible improvements in Canada's welfare system over the past three years. Family allowances, old age security, and the Canada Pension Plan provisions have been modified and improved. Federal-provincial discussions have indicated the need for wages to exceed unemployment insurance or any form of welfare benefits. In other words, though we guarantee a barely adequate income to those who are not working for good reason, we believe that financial incentives should be given those who are employed, thus bolstering our belief in self-reliance and productivity. In fact, by periodic testing of employment availability of recipients of this kind of assistance, we make sure that everyone can participate in the available work to the full level of their capacity.

We propose at this time to provide a program of income support to the aged, the handicapped and to single parent families who cannot work, and also to those for whom no work is available. At the same time, we propose to supplement the incomes of those who receive inadequate pay. This would help the vulnerable members of the working poor, namely, families with children and those over 55 years of age. There are probably half a million families in the country who fall into this category. Some of them would be better off to accept some form of social assistance or welfare; however, their pride keeps them working. Nevertheless, they suffer from a marked economic disadvantage. These citizens on marginal incomes should be encouraged to remain active members of the work force but should have recognition and assistance.

Our intention is to introduce a new social services act during this session, following up the Speech from the Throne. We also intend to make it more desirable to work than to accept welfare. We have support services in mind which are designed to allow the aged, the sick, and the handicapped to live at home rather than in an institution. Meals on wheels, home nursing and homemakers will keep folks in their own community. Rehabilitation will often make the handicapped employable, and assistance in helping them find a job will keep them off welfare. Many people heretofore seemed to be locked into unemployment because if they are handicapped they cannot afford transportation to get to work.

The Acting Speaker (Mr. Turner): Order, please. The hour appointed for the consideration of private members' business having expired, I do now leave the chair till eight p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-22, to amend the statute law relating to income tax, be read the third time and do pass.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker—

Mr. Ellis: That ardent Tory from Nickel Belt.

Mr. Rodriguez: I do not know about being an ardent Tory from Nickel Belt. The hon. member makes these remarks, but I want to assure him that the only known Tory in Nickel Belt is in the museum of anthropology at Laurentian University. We cannot find any live Tories in Nickel Belt. I challenge the hon. member from the Tory benches to come to Nickel Belt to see if he can find one. I must correct myself. There will be one Tory in Nickel Belt some time in the next month or so. The hon. member for Ottawa-Carleton (Mrs. Pigott) is going to address a girls' college in Sudbury, and she will be the only admitted live Tory in Nickel Belt.

Mr. Ellis: What about the mayor?

Mr. Rodriguez: What mayor? The Tory mayor has been defeated three times in the last three months. However, that is a diversion, and I do not want to digress tonight because I want to zero in—

The Acting Speaker (Mr. Ethier): Order, please. The hon. member was recognized to address the House on the bill which is before us, Bill C-22, so would he please do so.

Mr. Rodriguez: The diversionary tactics which are being used by the Tories prevent me from zeroing in on Bill C-22. If they would only cease their diversionary tactics, we could get on with this debate.

Prior to five o'clock I was raising some relevant points regarding Bill C-22, and I think it is only right, just, and proper that I should remind the House of the points I was raising before the supper hour. We members of the New Democratic Party have not been perverse in the way we have opposed this bill or in the way we have spoken on many clauses of it. We have said over and over again, and we intend to say over and over again during this debate, that a progressive tax system must serve to distribute wealth in Canada, not provide tax loopholes for the well-off. Every single time this government introduces a change with respect to taxation, we end up with loophole upon loophole upon loophole. We on this side of the House are in good company when we say that the tax system is nothing but loophole upon loophole for the well-off. I say that because of what no less a person than Marcel Bélanger, president of the Canadian Institute of Chartered Accountants, said in a speech to the annual conference of the Canadian Tax Foundation in November, 1975.

I want to put what he said on the record for all hon. members of this House to peruse at their leisure. He said that changes have made Canada's tax system so complicated that even professional tax experts can barely follow it. He asked rhetorically how we can expect the ordinary taxpayer to understand this mess. He urged the federal government to declare a two-year moratorium on tax changes and to concentrate on simplifying the system. He also called for a revision of the income tax rate schedule to ease the burden on lower income Canadians. That is important, Mr. Speaker. He said that governments have modified the tax system time and time again, thus adding to the complications which already exist, and the same time they have unconsciously created loopholes.

Many of these tax changes have failed to produce the intended results, and he cited the registered home ownership savings plan as one example. We have dealt with the registered home ownership savings plan in this debate, and we have pointed out how it is used as a tax loophole for the well-off.

Mr. Bélanger pointed out, as we have done in this House, that the RRSP was designed to help young people save in order to buy a house eventually, but it has degenerated into a loophole whereby spouses mutually transfer their property to take advantage of the deduction, and the barefaced aspect of it all is that this is blatantly advertised. Is that what a tax system is all about?

• (2010)

The members of my party have said time and again that the tax system ought to distribute wealth in the country, not accumulate it at the top levels and hope it will filter down. That is the trickle down theory which the government and its allies on the Tory benches have for a long time advocated. Look around, Mr. Speaker. The Liberals and Tories are all products of the trickle down theory. Just look at them. Incidentally, I see that the hon. member for Ottawa-Carleton is present. Mr. Bélanger went on to say that a straightforward reduction in tax rates would have been simpler and much more effective.

The question which arises is, why not institute a tax rate reduction? Surely that would lead to savings, including savings connected with the bureaucracy of Canada which oversees the RRSP program. I have a sneaking suspicion that RRSPs were set up to help the insurance companies accumulate capital so that they could invest it. I have a sneaking suspicion that that is why the whole program was set up.

An hon. Member: It is to help insurance companies invest in shopping plazas.

Mr. Rodriguez: Yes, so that they can turn round and lend money for the building of sky towers and shopping plazas.

Mr. Belanger went on to say that, as a result of numerous modifications, the federal guide to filing income tax is now 45 pages of small print, the Quebec guide is 41 pages long, and the Ontario guide is 12 pages long. He said that governments have hired actors and performers to convince the little guy that it is simple to fill out his income tax return. Before the poor taxpayer suffers from an inferiority complex he ought to ask those performers, who fills out their income tax returns? Mr. Belanger went on to say that the present income tax rate schedule discourages effort and savings. It has too many brackets. The rates go up too quickly, especially in the lower brackets, and reach too high a level. The federal income tax schedule has 13 levels, he said, more than half of which apply to taxable incomes of less than $10,000. This means that the lower or middle income taxpayer who finds his income increasing because of inflation could easily jump one or even two brackets at a time, thus incurring a proportionately heavier tax burden.

Mr. Belanger went on to suggest that the tax schedule ought to be changed, by cutting the present number of brackets in half, by widening the income classes, and by setting the maximum marginal rate at 38 per cent, instead of as at present, at 47 per cent.

That is the view which I have tried to put forward in the present debate. Mr. Speaker, Mr. Belanger said these things in 1975, and we are now in 1977. It shows that the more things change around here, the more they stay the same. Actually, they deteriorate.

As I was saying earlier this afternoon, tax credits are the most advisable way of distributing wealth in Canada. Some provincial governments have used the tax credit system for social programs. What about the federal government? Has it ever used the tax credit system? The answer is yes. And where has it used the tax credit system? I do not want to be cynical, Mr. Speaker. The people of Canada, particularly the people of Nickel Belt, are not cynical, and I speak on their behalf. When I think of the way we have used the tax credit system, it makes me want to vomit in this House. I am thinking of going behind the curtains and doing it.

An hon. Member: Withdraw.

Mr. Rodriguez: We have used it in the election expenses act. All along it was said that we could not do it; but apparently we can do it when it helps to keep parties in power. The act provides for a write-off, for a deduction from income of contributions made to political parties. That is a crying shame. We cannot use the tax credit to bring in a guaranteed annual income for low income Canadians. I know that any mention of the guaranteed annual income is like waving a red flag in front of the Tories. Perhaps that is why the minister is afraid.

There are advantages to a tax credit system. We think that since provincial governments have used a tax credit system for social programs, the federal government ought to use that system for its social programs. That is the only fair way of doing it, because then those who earn a buck will pay tax on that buck. As well, a tax credit system could lead to a rationalization of expenditures and a reduction in the numbers of bureaucrats needed to run our present social services system. Clearly there are concrete advantages to a tax credit system. Such a system would be better than the system envisaged by Bill C-22, for we shall need to create a whole new bureaucracy to administer the changes in the act, an act which does nothing but create loophole upon loophole.

Another advantage connected with the tax credit system concerns the establishment of a guaranteed annual income. Surely a tax credit system is one of the best ways of maintaining a guaranteed annual income. It would work to the advantage particularly of those too poor to pay taxes. It could become a negative income tax and that, Mr. Speaker, is in line with our idea of how the tax system of this country should work.

Why is the minister so sensitive about this concept? Let me quote some of his words. I will put them on record, since I think they may give us a clue to his sensitivity concerning the guaranteed annual income. He said this:

> We are not trying to slip a guaranteed income in through the back door. We have started from the premise that there will be no more new government expenditures on social programs. We've taken the pledge.

He has taken a pledge. The only pledge Liberals and Tories have taken in this House with respect to income tax is the pledge to make loopholes in the act so large that elephants could crawl through them.

Mrs. Pigott: Don't be personal.

Mr. Rodriguez: The hon. member for Ottawa-Carleton suggests that I am being personal. I am sorry; I could never equate her with an elephant, even though her hair may be white.

Why is the minister so sensitive? Perhaps I could illustrate my point by quoting what Mr. Stephen Duncan wrote in the *Financial Post* of November 6, 1976. He wrote in part:

> During the tax reform debate in the early 1970's the Ontario government battled to convince federal planners to make more use of tax credits. Ottawa said no. In the early 1970's and until recently, it was good politics to hand out money. New programs with new bureaucracies were the most visible way of showing government largesse. The politics can flip flop again. It is not inconceivable that by the time the tax study concludes a year or more down the road Ottawa would be happy to have some new programs to announce possibly during a federal election. If so, this current exercise could come to nothing.

● (2020)

That is the way it goes, Mr. Speaker. That is a quote that Mr. Duncan includes in his article. It was a comment made by one official working on this so-called income tax study.

In the last few days of this debate we have said time and again that this kind of system under which we are operating permits loopholes, and we pointed them out. Here is one pointed out last year in the *Financial Post*, and I think it will warm the cockles of the hearts of all the business elite and apologists for corporations in this House. This article by D. W. Smith and G. K. Dowsley, entitled "How financial firms Can Diversify: Use a Loophole," reads as follows:

> A new income tax provision that allows another avenue for taxfree corporate diversification will be of particular interest to financial institutions.
>
> As part of the general expansion of the sections of the tax law dealing with reorganization, the ability now exists to expand "upstream" without creating any capital gains tax liability.
>
> Tax rules allow taxfree "downstream" diversification, too. But since most financial institutions are not as free as other corporations to diversity through subsidiaries this new rule is an improvement in the tax system for a very large sector of corporate taxpayers.
>
> Surprisingly, the possibility of this type of reorganization has not been widely publicized and Ottawa has not received the credit it should for creating this "government sponsored loophole."
>
> It seems now possible for Canadian financial institutions to do what many U.S. banks did in the 1960's—create upstream parents in order to diversify and still meet the requirements of the regulatory authorities. Financial institutions, or, indeed, any company, will now be able to do so in Canada.
>
> The procedure works as follows:
>
> Company A wishes to create an upstream parent, X; company X is established with no assets. The shareholders of A exchange their shares for treasury shares in X. The shareholders now own X, whose sole assets are the shares of A.

Income Tax Act

Subsequent acquisitions may be financed by additional share exchanges, loans secured by the shares of the subsidiary, and dividends from the income of controlled companies earned after reorganization.

The problem in the past was that once a shareholder exchanged shares of A for shares of X he was considered to have disposed of them and was thus subject to capital gains tax. The magnitude of the tax bill for major shareholders made this procedure prohibitive; so it was seldom, if ever, used in Canada.

That is the indication that there has to be a loophole created.

But now the exchange will take place without incurring tax, by passing the tax cost associated with the original shares on the new shares.

However, the taxpayer may elect to assume that a disposition occurs at market values if this is to his advantage, if for example, a loss is produced or the gain is absorbed by losses from previous transactions.

This would result in a higher base from which future gains will be determined. The cost base to corporation X of the acquired shares is unaffected by the option selected; market values are consistently used . . .

There are, of course, conditions which must be met but these are not unduly restrictive nor unreasonable. The main one is that shareholders in company X must deal at arm's length before the exchange. That is, there must be different directors for the new company, at least temporarily. In addition, no one shareholder may hold more than 50 per cent of X's shares after the exchange.

These restrictions do not affect legitimate business procedures but are designed to prevent owners of closely held corporations avoiding tax.

There are other advantages too. A reluctant shareholder could be paid by X to sell his shares to someone willing to make the exchange. This would be important when the market prices are depressed. If, say, Mr. Jones originally paid $30 for the stock but the market price had declined to $18 at the time of the exchange, company X could pay him $12 on the condition that he sells his shares to someone willing to make the exchange.

The taxfree zone carries through with the exchange and a corporate shareholder would not lose the addition of its pre-1972 gain to its "1971 capital surplus on hand."

The taxfree status of share exchanges is not affected if fractional shares are offered for cash or if certain shareholders are offered additional inducements; the tax status of the remaining shareholders is not jeopardized.

The possibilities of this provision seem so promising that it is hard to see why it has not been explored in more detail.

The problem in the past was that once a shareholder exchanged shares of A for shares of X, he was considered to have disposed of them and was thus subject to capital gains tax. The magnitude of the tax bill for major shareholders made this procedure prohibitive; so it was seldom, if ever, used in Canada.

But now the exchange will take place without incurring tax, by passing the tax cost associated with the original shares on to the new shares.

However, the taxpayer may elect to assume that a disposition occurs at market values if this is to his advantage, if, for example, a loss is produced or the gain is absorbed by losses from previous transactions.

This would result in a higher base from which future gains will be determined. The cost base to corporation X of the acquired shares is unaffected by the options selected; market values are consistently used.

Corporations would be able to use this method to obtain shares in a wide variety of companies. Commentators have talked about individual takeovers, but a large diversified portfolio could be created. The cost base to X of these newly acquired shares would be the fair market value at the time of the exchange.

However, if less than 10 per cent of the shares are acquired by the corporation then the tax base is deemed to be zero. Hence widespread offers for exchanges would be discouraged because of the large capital gains tax in the future.

One large financial institution, AIC corporation—

You see, Mr. Speaker, how all these things tend to get tied in.

—has announced its plans to phase into the banking field and other similar corporations are examining the prospects of entering this field.

It does not surprise us that they trotted out the corporate apologist from Edmonton West to make a speech in this House recently against our filibuster or debate on the IAC private member's bill.

Reorganizing upstream offers another avenue to accomplish this and overcomes possible difficulties.

Leasing or insurance businesses separately regulated or not permitted by the Bank Act, could become subsidiaries of the upstream parent without affecting the operations of the main operating firm, or obliging the disposal of promising enterprises.

[Mr. Rodriguez.]

The list goes on, Mr. Speaker. That is another example. I do not know of too many people in Nickel Belt who could take advantage of that kind of chess game for the corporate world. As a matter of fact I do not know of anyone in Nickel Belt who could take advantage of this sort of thing.

As I mentioned before we broke for the supper hour, this debate on Bill C-22, like many other debates, tends to allow the House to really explore the thoughts and, so to speak, the psyche of members of the House. They tend to let their hair down and we get what they are thinking about. We had one such gem when the hon. member for Edmonton West (Mr. Lambert) spoke about women and indicated that women in the work force were a social phenomenon working only for the second car, and that day care centres result in raising only juvenile brats. Conservatives have to live with that. They cannot continue parading across this country as the friend of the worker, the friend of women, the friend of labour and the friend of young Canadians. A debate of this kind tends to unmask this sort of thing. It rips away the pretences. Then we get to the real Tory or Liberal.

● (2030)

Mr. Peters: We see it as the same thing.

Mr. Rodriguez: We know they are the same. We saw an example of that.

Remarks were made earlier in this debate by another member to my right, the hon. member for Calgary North (Mr. Woolliams). He apparently is the specialist in his party on policies on taxation. I will make myself clear on this; I am not so presumptuous as to suggest that the Conservative party at this time has a tax-policy. Far be it from me to do that. Who am I but a little school teacher from the backwoods of northern Ontario?

Mr. Blais: Mr. Speaker, did I hear the hon. member right when he referred to his riding in pejorative terms as "the backwoods of Ontario?"

Mr. Leggatt: You don't know what pejorative means.

Mr. Peters: He was thinking about Nipissing when he said that.

Mr. Rodriguez: I will repeat it, Mr. Speaker. I am just a little school teacher from the backwoods of northern Ontario, which includes the hon. member's riding of Nipissing. There are a lot of us there. We are proud to be backwoods people.

An hon. Member: Backward you mean.

Mr. Rodriguez: We look at things as they are. We look at the taxation policy and ask why can it not be simplified. We pride ourselves on coming from the backwoods of northern Ontario. We tend to be "grass-rootsy" people.

An hon. Member: Grass-rootsy?

Mr. Rodriguez: Yes, grass-rootsy. We look at the income tax system and ask pointed questions.

Mr. MacKay: Ask intelligent questions, not punchy questions.

Mr. Rodriguez: Sometimes they are punchy, but they are always pungent. I want to comment on some of the remarks made by the hon. member for Calgary North during this debate. He said that what we need is "a group of men and women in this department", meaning the taxation department, "who will meet with the ordinary taxpayer". I can only assume that the object of the hon. member's suggestion is a simplification of the present income tax system in order to allow the ordinary taxpayer to understand better the complexities of an act that has baffled many of the legal minds in this House to this day.

The hon. member has called for a one-to-one relationship in the income tax jungle. I do not know what he is up to. I want to go on record as supporting simplicity in our tax system.

Mr. Hnatyshyn: You are an expert in simplicity.

Mr. Rodriguez: There is more to come. I would like to see the ordinary taxpayer understand the tax system in this country without the additional and unnecessary costs that would be entailed in the proposal by the hon. member for Calgary North. Imagine the number of bureaucrats that would be required to give advice to each and every taxpayer, to say, "If you do this, this is what will happen; but if you do that, that will happen."

The hon. member suggested that we have taxation personnel available to citizens across this country, people who would meet with the ordinary taxpayer. At this time when Canadians are being asked to practice restraint, Tory members are continually on their feet lambasting the government for being wasteful. I find this not only amusing but typical. The spokesman of that party is now asking the government to spend Lord knows how much of the taxpayers' money for guidance through a system that many of his collegues helped to construct under past Tory administrations. As I pointed out earlier, they are sucking and blowing at the same time. On one hand they talk about hiring bureaucrats to give advice to ordinary taxpayers, and on the other they talk about fiscal restraint. It just does not work. It just does not make sense.

Surely there is a better way of simplifying the income tax system than hiring bureaucrats to build empires. Rather than building empires, we should be dismantling them. I hope I am not doing an injustice to the hon. member's suggestion. Far be it from me, a school teacher from the backwoods of northern Ontario to tell a corporate lawyer his business, especially when he has just returned from a bar association convention. It would be absolutely presumptuous of me to lecture him on the income tax structure. God knows how complicated it is. I do not intend to try and heavy foot it through the income tax structure. I am merely trying to ask punchy, pungent, pointed, and direct questions. I hope I am not doing any injustice. I have tried diligently to come to terms with the letter and spirit of his recommendation. It is rather difficult when so many of the suggestions offered by the party on my right are so frivolous and poorly thought out. However, I cannot help but feel that the hon. member's scheme would require a considerable expenditure.

Under the hon. member's scheme, we would either have to hire and train additional staff all across the country to explain our unjust and retrogressive tax system, which we have been blessed with by the free enterprise administration, or transfer staff within the existing taxation service. Either way it would entail an unnecessary expenditure of funds and a misallocation of human resources. Why? I will tell you why.

Once upon a time, and this may sound like a Grimm fairy tale, and in some ways it is, in the halcyon days of the sixties, the predecessor of the Prime Minister (Mr. Trudeau), the late Lester B. Pearson, went to a man named Carter. He said Carter—

An hon. Member: Jimmy?

Mr. Rodriguez: No, not Jimmy. He asked him to determine what was wrong with our taxation system. And this man Carter did. And, much to the present Prime Minister's chagrin, he made a point of turning out one of the finest reports this country has ever seen. What was the cornerstone of that report on taxation? The cornerstone was that a buck was a buck was a buck and had to be taxed.

● (2040)

Mr. Carter did not even touch on the questions we socialists are concerned about. He did not talk about the redistribution of wealth. He talked about justice in the tax system. He talked about fairness. All he asked the government to do was to tax a buck every time a buck was made. Well, those Liberals are pretty tough. The Carter Commission made its recommendations to cabinet. It is now recorded history that when the first corporate delegation came to oppose Carter's recommendations they ran for cover. Instead of implementing a fair taxation system, they ran, because those were the same boys they would be asking for party contributions.

Mr. Knowles (Winnipeg North Centre): Would my hon. friend permit a question?

Mr. Rodriguez: Certainly.

The Acting Speaker (Mr. Ethier): Is the hon. member for Winnipeg North Centre (Mr. Knowles) rising on a point of order?

Mr. Knowles (Winnipeg North Centre): I asked my hon. friend whether he would permit a question, and I believe he said, yes.

Some hon. Members: Oh!

The Acting Speaker (Mr. Ethier): I think the hon. member should address himself to the Chair and not to the hon. member for Nickel Belt. Does the hon. member accept the question?

Mr. Rodriguez: Absolutely.

Mr. Knowles (Winnipeg North Centre): A moment ago the hon. member said, if I heard him right, that it was Mr. Pearson who asked the late Mr. Carter to produce that report. I wonder if I can refresh his memory and ask him whether it was not the present right hon. member for Prince Albert (Mr. Diefenbaker). In other words, it was a commission established by the Tories.

Mr. Rodriguez: My memory is now coming back.

Some hon. Members: Oh, oh!

Mr. Rodriguez: It was the right hon. member for Prince Albert (Mr. Diefenbaker). That is one of the hazards which face one in the heat of debate and in making a point.

We have heard catcalls from across the way. I would point out that members over there have a chance to make speeches on this bill but they forwent the opportunity.

An hon. Member: We are waiting for you to finish.

Mr. Rodriguez: They gave up.

An hon. Member: Why don't you?

Mr. Rodriguez: They gave up their opportunity to speak on third reading. If they have any comments to make, they should wait until Friday when I finish speaking. They can make their contributions then.

I will say that my memory has come back. It was the right hon. member for Prince Albert who asked the Carter Commission to make recommendations. It was interesting to see how these two old line parties attacked that report because of its premise that a buck is a buck and should be taxed on that basis. Note how that document has been forgotten. Today that report is gathering dust in some office. They retreated before the corporations, but did they ever take a tough stand against labour in connection with the anti-inflation proposals? Those people over there really pride themselves on being tough. But when the delegations came from big business, they put their tails between their legs and ran for cover like a bunch of scared rabbits.

An hon. Member: Does a rabbit have a tail?

Mr. Rodriguez: The rabbit does have a tail. What has become of the Carter Report on taxation? It has been smothered. It was smothered in paper. They published a green paper, and then a white paper, and then went through the motions of participatory democracy as they always do when confronted by objective truth. Later, they forgot all about it. I do not wonder that the hon. member for Calgary North should have failed to mention the Carter Commission. The only charitable thing which could be said about this sorry government opposite is that at least it went through the motions. I imagine that the Tory party would have found the report alongside the M.A. thesis by the hon. member for Rocky Mountain (Mr. Clark) on the shortcomings of the Diefenbaker government.

[The Acting Speaker (Mr. Ethier).]

I do not think we should forget for one moment the pivotal recommendation of the Carter Commission, because it is germane to our consideration of Bill C-22, as it is to any other bill relating to taxation. The contention that a buck was a buck and should be taxed every time it was made was one which sent Liberal and Tory bagmen running for cover.

The report went on to say other things. It said there should be no deductions, no exemptions, no more tax shelters for the rich and for the corporations, no more asking the lower and middle classes to carry an unfair tax burden, thus perpetuating the system under which the rich get richer and the poor get poorer. Since the Carter Commission report was filed away we have seen a deterioration in the quality of the lives of the people.

I realize that many of my friends and colleagues here will regret my spoiling their conception of this land as a land flowing with milk and honey, but I must tell them I had an opportunity recently to visit some of the poorest areas of Canada. I speak of the recent visit I made to Newfoundland and Cape Breton Island where unemployment has reached staggering proportions. The problem there was not inflation. The workers' wages were not sending up the prices of goods. After all, the average income there is only 70 per cent of the national average income. The problem there was unemployment. Nevertheless the government's so-called anti-inflation program is visited upon them as well as upon Canadians in other parts of the country. These are proud people, Mr. Speaker. They want to make a life for themselves and keep their families in some sort of dignity. They pay their taxes.

● (2050)

I cannot tell a lie. They are proud of their contributions to our nation's lifestyle. I speak of course of those who are still fortunate enough, in the face of Liberal and Tory federal and provincial governments, to have employment. These people are proud. They pay their share and help their neighbours across this great country. What are we as elected politicians to say to them when they ask us, as I was asked, why they must pay 25 per cent of their income in federal taxes when corporate giants, not struggling, poor, little corporations and small businesses—

Mrs. Pigott: Like mine.

Mr. Rodriguez: The "Cookie Monster" over here says they are like hers.

Some hon. Members: Oh, oh!

Mr. Rodriguez: I am talking about such giants as Imperial Oil and International Nickel. Incidentally, I notice that the vice-president of International Nickel is now chairman of the Tory advisory board on policy. That is like asking Evel Knievel to park your car. It is ridiculous. Here are these giants which, I submit, are not even Canadian-owned, which are paying less than one-half the rate of these people, less than 25 per cent of their income in taxes. That has to be a travesty in this country and it has to be forever. It has to be a postscript to these two old line establishment parties in Canada. Small wonder that there is so much cynicism in the land.

Mr. Peters: It is interesting to note that all International Nickel people pay taxes, but not the company.

Mr. Rodriguez: When I came back from Newfoundland I could not help but think about why I am a member of parliament here. Why am I here and why are we all here? I think that is something that all members should think about, especially when we come to look at the whole question of taxation. We have assumed this responsibility as elected members of parliament. People ask what we are going to do for them, what we are going to do about distributing wealth, what we are going to do about the serious problems facing our nation. I always find a great deal of solace in reading Matthew, Chapter 5, verses 1 to 16, and often I meditate on it. I will read these verses for the edification of members. I seriously suggest that members think of this because it is very germane to the job we are doing here. They read:

1. And seeing the multitudes, He went up into a mountain:

Mr. Blais: Mr. Speaker, I rise on a point of order. I am quite ready to listen to the ramblings of the hon. member so long as he is dealing with the income tax legislation or the Carter Commission and who appointed the Carter Commission, but when he starts to indicate that the Bible is relevant to the bill presently under study, I think you should call him to order, Mr. Speaker.

Mr. Nystrom: Mr. Speaker, I rise on the same point of order. I want to suggest one thing. Perhaps you should reflect on this before you make your ruling. The hon. member for Nipissing (Mr. Blais), even though he is Postmaster General, has not even heard what the hon. member for Nickel Belt (Mr. Rodriguez) is going to say. He will quote something that is relevant to this debate, and I think the hon. member for Nipissing should wait a few minutes and hear what my friend will say before he makes a fool of himself by suggesting my friend is out of order. I submit, Mr. Speaker, that you take that into account before making a ruling, and give the hon. member for Nickel Belt a chance to say what he wants to say. After that perhaps the hon. member for Nipissing can rise and make a statement.

Mr. Peters: Mr. Speaker, it seems to me that what is relevant on third reading is to refer to the whole bill and the contents of the bill, not its details. It seems to me that from time immemorial, even though my athesistic friend objects to the reading of the Testament, there has always been, at least in the ordinary person, a desire to establish equality in taxation. From my limited reading of both the Old Testament and the New Testament it is my understanding that there is considerable relevance in the Bible to the collection of taxes and the way in which taxes are applied.

The Acting Speaker (Mr. Ethier): Order, please. It is quite right that those hon. members who are recognized should address their remarks to the bill, and for that purpose I think we should hear the hon. member for Nickel Belt (Mr. Rodriguez). I hope he will continue his remarks on Bill C-22.

Mr. Rodriguez: Again I read:

2. And He opened his mouth, and taught them, saying,
3. Blessed are the poor in spirit: for theirs is the kingdom of heaven.
4. Blessed are they that mourn: for they shall be comforted.
5. Blessed are the meek: for they shall inherit the earth.

The Acting Speaker (Mr. Ethier): Order, please. The Chair recognized the hon. member for Nickel Belt for the purpose of commenting on Bill C-22. The Chair has difficulty in relating what he is reading now to Bill C-22. I hope the hon. member will limit his remarks to the bill now before the House.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker—

Mr. Peters: And this is a man of the cloth, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Does Your Honour not think it might be useful to ascertain what it is that the member is reading from the New Testament, and what argument he wishes to draw from that with respect to the bill? I am sure his reference to the New Testament is for the purpose of commenting on the bill.

The Acting Speaker (Mr. Ethier): It might be interesting, but I am sure all hon. members would agree with me that it might be better for the hon. member to conclude his remarks on the Old or New Testament and to revert to the contents of the bill.

Mr. Rodriguez: I only have a few more lines to read, Mr. Speaker.

It continues:

6. Blessed are they which do hunger and thirst after righteousness: for they shall be filled.
7. Blessed are the merciful: for they shall obtain mercy.
8. Blessed are the pure in heart: for they shall see God.
9. Blessed are the peacemakers: for they shall be called the children of God.
10. Blessed are they which are persecuted for righteousness' sake: for their's is the kingdom of Heaven.
11. Blessed are ye, when men shall revile you, and persecute you, and shall say all manner of evil against you falsely, for my sake.

The Acting Speaker (Mr. Ethier): Order, please. This could go on for days and days. There are many quotations from the Bible. Again I ask hon. members to co-operate with the Chair. There is sufficient content in Bill C-22 to discuss the bill alone. I ask the hon. member to revert to the bill.

Mr. Rodriguez: The point I was trying to make is that while this gives much spiritual comfort to the soul, it has been the rationale for parts of Atlantic Canada that we have always offered spiritual solace. That the meek shall inherit the land remains spiritual solace, but we have to put bread and potatoes on the table, and we have to do that through a tax system that is fair and just. That is what this quotation speaks about. It speaks about justice, fair play, and right.

The rulers of the country are the people who sit in judgment. Here we are sitting in judgment on Bill C-22. We have to make a decision on it. It seems to me that if there were some meekness in the hearts of the government, some righteousness and some mercy, they would not attempt to foist on the people of Canada a bill such as Bill C-22.

There is cynicism in the land. Some would put that cynicism down to experiences south of the border, and I suppose that is a good rationale. They have a right to be cynical, however, about the things they see in the government of Canada today. They see the Sky Shops Affair, bribes being paid to Argentinian government officials, agents being paid off in numbered Swiss bank accounts, and black lists being kept. Is it any wonder that we have that cynicism? We cannot rationalize it by saying it is the Nixon era. It is the same in Canada; we are no whiter than they are. People are being very cynical. The government is bringing forward at this time a very cynical bill, C-22, which we have criticized in detail on various points, and rightly so. We have pointed out how the system creates a loophole.

● (2100)

The hon. member for Calgary North has suggested that what we need to improve the tax system are more advisers. The root of the problem is that we are really treating the symptom, not the disease itself. In other words, we are applying a band-aid to a severed artery. What we need are not guidance sessions, with all the expense and manpower waste that entails; we need a serious commitment to major tax reform.

On top of that, the government's bill is limiting the 10 per cent surtax on high income earners for the 1976 taxation year. Removal of this meagre surtax will mean a substantial saving for these high income earners in the 1977 taxation year. This kind of subservience to the wealthy in Canada becomes clear in Leonard Shifrin's article which appeared in the December 29, 1976, edition of the *Citizen* and which I would like to quote as it is very apropos of the bill:

> First, the government ends the freeze it imposed last year on the cost of living index for family allowances. Since the allowance is taxable, families at different income levels get to keep different proportions of the increase. Thus a family of two earning $10,000 will retain $32 of it, while the same size family with a $50,000 income only retains $21. To compensate the $50,000 a year family for getting $11 less benefit from the allowance boost, the government is going to give an extra $593 by abolishing the 10 per cent surtax on incomes of more than $30,000. Increasing family allowances will cost the government $115 million. That's $165 million it will pay out, less than $50 million it will tax back. Cancelling the surtax will cost $135 million. And every penny of it will go to the two or three per cent of Canadians with incomes of $30,000 plus.

[The Acting Speaker (Mr. Ethier).]

The elimination of the surtax for the 1977 taxation year represents a major step back from the supposed attempt to force everyone to make equal sacrifices of some kind under the anti-inflation program. Was not everybody supposed to make a sacrifice according to his means? This has been honoured more in the breach than in the observance.

Mr. Peters: It sure didn't last long.

Mr. Rodriguez: No, it did not. We know those who are not making sacrifices and who will be laughing even more when the surtax is removed. As a matter of fact, they will be laughing all the way to the bank. These people are not Jerry Beaulieu who spent last year cold and wet working 60 hour weeks in a downtown Toronto car wash. Do you know what he earned, Mr. Speaker? He earned $8,268. It will not be Mrs. Shirley Barga who works long and hard hours in my constituency office making $7,920 a year. The persons who will be laughing all the way to the bank will be people like medical doctors, whose incomes have just increased from $45,700 to $49,000, and this in a period of so-called wage restraint.

Mr. Symes: There goes the $2,400 limit.

Mr. Rodriguez: Yes, as I have said, there are loopholes all the way through the system.

An hon. Member: Where do you get those figures?

Mr. Rodriguez: I realize that these are very conservative figures; they come from the Anti-Inflation Board. And let us not forget that the incomes of professionals and executives are not being restrained at all, despite the platitudes of the government. Just for the record, I think we ought to look at incomes by profession. I have the figures for the average net income of professional practitioners by category. The net income of architects is given as $46,100, having been increased from $43,400, an increase of $2,700, or a percentage increase of 6.2 per cent. Right off the bat I would ask, what about the $2,400 limit that is supposed to be placed on all increases?

As for chiropractors their average salary went from $27,500 to $29,100, an increase of $1,600, or in percentage terms 5.8 per cent. Consultants: their salaries went from $16,700 to $17,800, an increase of $1,100, or a percentage change of 6.6 per cent. Dentists: their base income went from $34,100 to $40,800, an increase of $6,700, or 19.6 per cent. That is almost three times as much as the supposed limit under the anti-inflation guidelines. I doubt whether the excess was ever collected. Engineers: their salaries went from $38,200 to $45,900, an increase of $7,700 or 20.2 per cent. As for lawyers—

Mr. Leggatt: Shhhhhh!

Mr. Rodriguez: The hon. member for New Westminster (Mr. Leggatt) is shushing me.

Mr. Leggatt: No, I am not.

Mr. Rodriguez: Lawyers went from $34,900 to $40,000, an increase of $5,100, or 14.6 per cent. The salaries of optome-

trists went from $29,000 to $31,600, an increase of $2,600, or 9 per cent. Salaries of public accountants went from $38,500 to $42,700, an increase of $4,200 or 10.9 per cent. Veterinarians: their salaries went from $25,100 to $26,500, an increase of $1,400, or 5.6 per cent. Doctors' salaries went from $45,700 to $49,000, an increase of $3,300, or 7.2 per cent. The average increase, Mr. Speaker, was from a base of $35,700 to $40,600, an average change in dollars of $4,900, and the average percentage change is 13.7 per cent.

What kind of game is being played here, Mr. Speaker? Every time the government permits a tax change, it is imposing it upon figures and facts of this kind. This can only serve to heighten the disparities within the system. It gives it a warp and makes it unfair and unjust for people at the bottom end of the income ladder.

• (2110)

When implementing these tax changes from whom is the government asking a sacrifice? Who is the government asking to make a contribution to the national good and the national welfare of our country? Is it going to be Mr. Beaulieu, who washes cars for $8,000 a year or is it going to be that lady in my riding office who earns $7,900 a year? Who will it be? Will it be Mr. Albert Thornborough, the president of Massey-Ferguson Limited, who made $353,662 last year? My, but there is some restraint there! Last week I wanted to know how one man can earn $353,662 a year. The sky's the limit, and all we ever do is open up the floodgates so that more taxes can be written off, taxes which should be paid to this country. Mr. Thornborough ought to be proud to live in Canada, and he ought to learn to pay his fair share of taxes, but when he has handmaidens sitting over there, and when his mouthpieces support him over on this side every time a tax change is proposed, the Albert Thornboroughs of this world—

Some hon. Members: Order!

Mr. Harquail: Mr. Speaker, I rise on a point of order. On second thought I wonder if we should not consider allowing the hon. member to go back to the Bible. I am also curious about the time limit of the hon. member. He started at 4.20 this afternoon. I am a bit curious as to how much longer we have to suffer through this.

The Acting Speaker (Mr. Ethier): For the information of the hon. member, I think the hon. member for Nickel Belt (Mr. Rodriguez) is allowed to talk as long as he wishes. He is the first spokesman at third reading.

Mr. Rodriguez: The hon. member for Restigouche (Mr. Harquail) ought to relax because I am getting to the Old Testament. I particularly like some quotations from Genesis, and tomorrow I am going to quote from the Old Testament because it is very relevant to the Income Tax Act. We know that Matthew, whose name was Levi, was a publican. He was a tax collector, and he put more taxes into his pocket than he did into the church collection. Does that sound familiar? By golly, Bill C-22—

An hon. Member: You are going to be struck by lightning if you keep that up.

Mr. Rodriguez: —is highly reminiscent of what had to be done to those moneychangers and tax collectors. They had to be cleaned out. Fortunately, we have abandoned capital punishment, and we are on the way to abandoning corporal punishment, so we cannot whip them any more. However, that might be a good idea.

Mr. Hnatyshyn: We haven't done away with corporal punishment.

Mr. Rodriguez: I am always very happy when hon. members interject because, when they do that, and rise on points of order, I know that the points I am making are really getting under their skin. I can understand the hon. member for Restigouche coming to the rescue of Mr. Thornborough, coming from a riding like his which has unemployment of over 30 per cent. He would like to defend a person who earns $353,662. He should be ashamed of himself.

Mr. Harquail: How much longer are you going to hold up the House?

Mr. Peters: Who cares?

Mr. Rodriguez: Who else is being asked to contribute? Will it be a chap by the name of Borje Salming, a Toronto Maple Leaf hockey player, who makes $250,000 a year? Will it be H. R. Fraser, the chairman of Hudson Bay Mining and Smelting, who makes $160,000 a year? Will it be CTV news anchorman Lloyd Robertson, who makes $100,000 a year? Will it be Eric Trigg, the executive vice-president of Alcan Aluminum Limited, who in 1974 received a salary of $147,438 and in 1975 received a salary of $162,178, an increase of 10 per cent?

Some hon. Members: Oh, oh!

Mr. Rodriguez: Oh, but they are squealing now. All their Tory friends are being named. Will it be John Armstrong, chairman of the board and president of Imperial Oil, who made $234,333 in 1975, $36,000 more than in 1974? Will it be Clifford Hatch, president of Hiram-Walker-Gooderham and Worts Limited, who earned a salary of $225,000 last year? Will it be A. E. Feldmeyer, president and managing director of Canadian Superior Limited, who received a salary of $311,400 last year?

Will it be John Devlin, chairman of the board of Carling-O'Keefe Limited, who received a salary of $164,829? Will it be Edgar M. Bronfman, chairman of the board of Seagram's Company, who made a salary of $300,000 last year? Will it be Sandy Holly, a jockey, who made $450,000 last year? He is a racehorse jockey, not a disc jockey. At one end of the spectrum we have these corporate wheels.

I would like to know the yardstick by which one man can earn $350,000 or $450,000 and take advantage of many loopholes besides. For these people it is like the gates of Jerusalem opening. There is a new Jerusalem for them. But

what about the other end of the scale, where Mr. Beaulieu, working 60 hours a week in a cold, wet, damp and dank car wash, makes $8,600 a year? Surely if the government has its priorities right and if its head is screwed on properly, the verses I quoted, Matthew chapter 5, verses 1-16, have some relevance to the whole question of justice, meekness, and getting something back from the tax system.

Mr. Harquail: When were you ever meek?

Mr. Rodriguez: If hon. members want to make comments, they can speak when they get the floor, whenever that may be. I do not know when they will get the floor, but when they do, they can get up and make a speech. The wraps were put on the hon. member. He has to keep his mouth shut.

To add to this immense inequality, Bill C-22 does not contain a single clause which recognizes that the tax burden is being shifted from the corporate tax to personal income tax. From 1970 to 1975 the effective rate of corporate tax on profits went down from 29.6 per cent to 26.6 per cent, and did hon. members ever hear them squeal louder? And what do they want now? They want tax breaks. They are all wanting more concessions. Mining companies want more write-offs. They want more of everything. That is the kind of solution they seek. And here we have the government bringing in a bill which does nothing to deal with this inequitable situation.

We have shifted the corporate tax burden to the individual taxpayer and while doing so corporate profits have skyrocketed from $7.7 billion to $17.8 billion. Add to that the fact that the Anti-Inflation Board, which is controlling wages, allowed an unspecified number of corporations to exceed AIB guidelines by $70 million in the first six months of the program. Corporate taxes were cut this year by 1 per cent, as was the case last year, the year before, and the year before that.

● (2120)

There has been a corporate tax cut every year since 1972 so that today the corporate tax rate has been reduced to 46 per cent from 50 per cent in 1972. This, of course, is not the actual rate at which most corporations paid tax; that is a little closer to 27 per cent, Mr. Speaker. The other tax concessions made notorious by David Lewis in his 1972 election campaign are still being enjoyed by the same corporate welfare bums. In fact they have both hands in our pockets now. It is indeed unfortunate that the present government, aided and abetted by the Tory opposition, has conned, and I can use no other word—has conned the middle class of this country into believing that the economic woes of this nation are caused by a working class that is alternately greedy, grasping, lazy, dishonest and unconscientious. Mr. Speaker, that is the kind of thing it would want us to believe.

I often become cynical, and I have to admit this. I share the same cynicism that large numbers of Canadians have. I have to be ashamed of it. But do you know what makes me cynical, Mr. Speaker? My experience in Canada is short for I am not a native born Canadian—just a lowly little immigrant who went to teach school in the backwoods of Ontario. However, when I look at the tax system I cannot think of any group of people for whom taxes on part of their incomes are waived but members of parliament.

Mr. Peters: Don't get nasty now.

Mr. Rodriguez: This party has argued against that kind of elitist attitude. I have to call a spade a spade, Mr. Speaker. We have argued the principle that a buck is a buck is a buck and should be taxed. Members of parliament are now getting 10,600 bucks on which they pay no tax. Is it any wonder people in Canada are looking askance at members of parliament and becoming cynical, like me? What do they say to themselves? They ask how different we are from them. They have expenses too but cannot write them off. They have to pay taxes on everything they earn. This party has said there should not be an amount allowed as expenses; it should all be wages and be taxed.

I become even more cynical when it comes to making arrangements about what is going to come under the anti-inflation controls. That was always dumped on the non-taxable part. That is what the cynicism is all about. Every member has to stand up before his constituents and be honest with them, but how can we say we approve and advocate a fair taxation system? I know it is open season on Liberals in this country today, but that is another story that I have to deal with tomorrow sometime.

People are cynical about governments today that pass that kind of tax law. How quickly we could move to taxfree moneys for members of parliament, and look how long it takes to get old age pensions indexed! The hon. member for Winnipeg North Centre (Mr. Knowles) stands up in this House constantly and makes the argument for veterans' widows and widows 60 years of age.

It really hurts, Mr. Speaker. That is why I quoted from Matthew because it is relevant to what we are doing in this House. We pray every day before we start question period, but what does it all mean? We are just like those publicans in the Old Testament and the New Testament: we collect taxes and put them in our own pockets but do not put enough in the church poor box. That is what it is all about.

I get these black moments, but I come out of them pretty quickly, Mr. Speaker. As I was saying before, if we were to look at the percentages of tax payable to this government by the individual and corporate sectors the figures would show that the burden of taxation has been shifting from the corporate sector on to the individual in spite of all the froofraro, and public relations, and free enterprise, and all that sort of thing.

I get cynical about other things that I notice as well. I have here something handed out by the Minister of Manpower and Immigration (Mr. Cullen) called the Advisory Committee Annual Report, 1976. It contains exactly four pages on the work of a corporation that spent $3½ billion last year. I do not know how much this report costs. We cannot find money for people at the bottom end of the income scale but we can find money for four pages of nonsense supposedly reporting on a

corporation that spent $3½ billion. They should put their heads in a bag in shame.

Never let it be said that the Liberals are not concerned about redistributing wealth in this country. They are never at a loss, but always flim-flam and whitewash a situation, and come up with something that takes the heat off the particular problem of the moment. I know they are concerned with income redistribution and they have come up with a unique way of doing it. Never let it be said they lack creativity or panache. They thought and thought about it, and came up with a national lottery. Some men in Montreal had a high-falutin' idea about the Olympics and ran up a billion dollar debt, and here is the solution—a lottery.

It was touched on in an article written by Russell Mills, editor of the Ottawa *Citizen*, on February 5, entitled "Lottery's Sweet Temptation Merely a Tax on Stupidity". He writes:

We've got to stop these whining do-gooders before they take away our lotteries. Their campaign is heating up.

This week a Toronto psychiatrist said that the unrealistic expectation of winning could be dangerous psychologically and that the lotteries were creating a generation of gamblers in Canada. Others maintain that they undermine the work ethic.

And there have always been those who claim that lotteries are a tax on the poor because many tickets are bought by desperate people.

But lotteries aren't really a tax on the poor, they're a tax on stupidity. And although it is true that a large number of the stupid do find themselves at the bottom of the economic heap they're not at all in the higher social classes.

Lotteries are a very effective way of isolating the stupid since with the absurdly low chances of winning that they offer, no one with a brain larger than an acorn would even consider buying a lottery ticket.

With the present odds, on Loto Canada, for example, you would have to spend $100,000 a year on tickets for 36 years—a total of $3.6 million, not including interest on the money—before you would even have a 50-50 chance of winning a $1 million prize. Who but a twit would buy a ticket at those odds?

● (2130)

That's precisely why our present lotteries are hopelessly inadequate and should be expanded and promoted far more than they are today.

How else are we going to get the stupid to pay their fair share of running the country?

Look at what they are costing us. The stupid are the ones who smoke and drink too much, don't exercise, don't wear seat belts, smoke in bed and drink and drive and thus add enormous amounts to our health costs.

They are the ones who drop out of school and then can't find jobs, run off and leave families without support, go bankrupt, quit their jobs or get fired and then expect us to support them with unemployment insurance or welfare.

Because most of the stupid don't make much money, they don't pay much in taxes, not nearly enough to pay for the trouble they cause.

Outside of a major slash in government services, the only way we can hope to reduce the cost of stupidity is to harness it, with lotteries. Because there's one thing about the stupid—they love to throw away their money.

But government promotion of the lotteries has been shamefully inadequate.

The average Canadian only spends $40 a year on lottery tickets now compared to an average of $150 a person in Britain and more than $200 in Japan.

With a little clever promotion this spending could be increased 10 times or more.

The advertising should take dead aim on the stupid and seek them out wherever they may be.

There should be lottery advertising included with all welfare and unemployment insurance cheques.

And no more of this namby-pamby 'lifestyle' advertising that the do-gooders are so upset about, let's use straight guilt and hit the thick right where it hurts.

How about this for the insert with welfare cheques:

Are you feeling bad because your family eats macaroni seven days a week? When did they last have steak? Do the other children laugh at the holes in their clothes? Give them a shot at a better life. Buy a Loto Canada ticket today!

Or how about this inserted with UIC cheques:

So you've lost your job. Do you realize that the unemployment rate is over seven per cent today and shows no signs of going down? You may never work again. Winning the lottery may be the only way out. You'd better buy a ticket!

Try guilt appeal.

All beer parlours and cheap bars should be saturated with guilt advertising and all waiters and bartenders paid commissions to push tickets on drunks.

Feeling guilty because you're drinking up the paycheque again? Taking food out of the kiddies' mouths? Give them a chance. Buy a lottery ticket along with the next round!

Hard-hitting lottery promotions should also be placed at other haunts of the dumb; on all cigarette machines, on bottles of Canadian sherry, at professional hockey games and horse-racing tracks and in all CB radio shops.

The ultimate aim should be to make enough profit from these tickets to pay for all government services. Then taxes could be reduced to zero and those of us too bright to chase the illusion of instant wealth could pursue our pleasures unimpeded by the burden of taxation.

It's all a matter of promotion. And for an advertising industry that can sell platform shoes, genital deodorants and electric shoebrushes, it should be a snap.

Lotteries apparently are the panacea for all our ills. We now have the Olympic lottery, the Ontario lottery, Loto Canada and the Quebec lottery. Lotteries, clearly, are the new wave.

We said, when we debated national lotteries in this country, that if part of the money derived from the national lottery were to be used for important programs like amateur sport and for health building programs, those activities ought to be supported under a budgetary provision and paid for with taxes collected from all Canadians working and earning a buck. That is the principle we have advocated consistently. We say a buck is a buck and should be taxed when it is earned. That principle this government has shied away from, for it wants to help its friends in the board rooms of Bay Street, Toronto, and St. Catharines Street in Montreal. I could even touch on who gets the distributorships for lotteries, but that is another subject with which I will not deal tonight. I can deal with it on Friday, when I return to this question. It seems to me that is a horse of a different colour.

I have talked about loopholes created in our tax laws. Lotteries are to be the substitute for a fair taxation system. While the government taxes the poor through lotteries, it subsidizes the rich with loopholes and reductions in tax. I have already talked about this, but it cannot be emphasized too much. If I am open to the charge that I repeat myself, I cannot help it.

Let us look at the question of interest earned in Canada. It is true that anyone earning interest income from investments can deduct the first $1,000 of such income before computing taxable income. But who uses that system? Who benefits? Each of the three million Canadians earning incomes of between $4,000 and $8,000 saved, on average, $35 from this provision. Yet each of the 225,000 people in the $25,000 to $50,000 category managed to save, on average, $216 in taxes, for a total of $49 million of unneeded tax breaks. That was the

extent of the tax break to higher income brackets. They saved $49 million. There were 13 times more people in lower tax brackets, but their total tax saved was only twice that saved by people in the higher tax bracket. Yes, their total tax saving was only twice as large as that of the group at the top. In other words, this provision is heavily weighted in favour of the top brackets, precisely because they have disposable income to invest.

The point is that, for the $550 million total cost of the tax program to the treasury, the government could have increased family allowances by over 25 per cent, doubled the annual increase in the old age pension, or offered a substantial tax credit to those at the bottom of the income scale. But the Liberals did not want to do it that way. Instead they decided to distribute their largesse at the top.

Let us consider another tax gimmick. Our whole tax system is strewn with gimmickry. I said before that it is full of loopholes. I suppose the government can get away with it because lower income people are not able to comprehend the fine print in the income tax system. The gimmick to which I am referring is known as the Registered Home Ownership Plan, better known as RHOP. It was supposed to help moderate income people afford a house. It was supposed to help young people to save toward the purchase of a home. And how many people have used the program? Of those earning between $5,000 and $6,000 only one in 95 has used it. That is, just over 1 per cent of those people managed to sock away money under this program in 1974. They just did not have money to put away. But at the other end of the income scale, and I am speaking of people in the over $50,000 bracket most of whom own their own homes already and are thus ineligible, over 6 per cent took advantage of this gimmick. That is the crux of the point we are trying to make about this bill.

● (2140)

In effect, here was a program which, on the surface, was designed to help people to save for a house. That was commendable. Then the authorities said that if you already own your own home you can transfer ownership to your spouse's name. Then you can start collecting under the program and be eligible for the benefits and write-offs under the tax system. It is not fair. I just pointed out that six times as many people in the $50,000 and over bracket were able to take advantage of the benefits in 1974. If the minister and the government think that this is an effective means of helping the low income earners afford homes, they are just whistling Dixie. They are not telling it like it is.

Again with regard to this gimmick, the benefits are highly weighted in favour of top income earners. Let us not forget the spousal Registered Home Ownership Savings Plan. A home is registered in the name of one spouse or the other. One of them can put away $1,000 of non-taxable income for a future investment in furniture or another home. This was commented on by Marcel Bélanger whom I quoted earlier in my speech this evening. He is quoted in the November 22, 1975, edition of the *Financial Post*.

[Mr. Rodriguez.]

Mr. Stevens: That's old.

Mr. Rodriguez: It may be old, but the same loophole is there. The government is talking about a fair taxation system. The reason I quoted from Matthew is because we are talking about justice and fair play. The hon. member for Simcoe North (Mr. Stevens) has the gall to say that is a fair tax proposal. The Bay Street barons may think so, but not those in northern Ontario whom I and other members of this House represent.

What Marcel Bélanger said about the Registered Home Ownership Savings Plan is still applicable today. He said, and I quote:

> Let's take the case of the Registered Home Ownership Plan. It was designed to help young couples save in order to eventually buy a house; it has degenerated into a loophole where spouses mutually transfer their property, should circumstances so require, to take advantage of the deduction.

There is a strange morality about that!

An hon. Member: Immorality.

Mr. Rodriguez: It is not doing anything illegal, merely taking advantage of a loophole which has been permitted by the government. If the tax on the $1,000 is not paid because of a spousal transfer, the rest of the population must pick up the deficit. That is not fair by any stretch of the imagination, even using Liberal or Conservative logic. There is not a member in this House, even those who make their remarks from behind the curtains, who is prepared to argue that is a fair proposal. That is why we are dead set against this bill and have argued against this particular clause.

There are other juicy loopholes in this bill. Let us not think that they are only limited to the federal income tax structure.

The province of Ontario came out with a $1,500 house grant. Who was the first in line applying for a grant on a $108,000 home in Carp? It was the Conservative member for High Park-Humber Valley (Mr. Jelinek). He received a $1,500 house grant on a $108,000 house. Surely that is not the purpose of the Ontario scheme. As a matter of fact, the Ontario minister responsible for this program, Arthur Meen, said that he is prepared to write off all those who rip off the system. If someone were to take the unemployment insurance fund to the cleaners, they would not write that off. They would hound him to the ground. However, here we have a well-to-do Tory member of parliament receiving a grant on a $108,000 home. This well-heeled minister without portfolio in the shadow cabinet is taking money right out of the hands of the poor people of Ontario. It is for this reason I quoted Matthew 5: 1-16 which talks about justice and fair play. Hon. members should spend more time reading and contemplating that.

We then come to half taxation on capital gains. The story is the same. When capital gains were brought in, we heard a great squealing. Even though it was only to be on 50 per cent of the gain, the Tories were squealing and squirming. They said it would take away all incentive. In fact the only policy that party has enunciated is that they would return to the 100 per cent tax free on capital gains.

Mr. Stevens: Mr. Speaker, I rise on a point of order. I wonder if the hon. member would permit a question.

The Acting Speaker (Mr. Ethier): Will the hon. member for Nickel Belt (Mr. Rodriguez) accept a question?

Mr. Rodriguez: Yes, Mr. Speaker, when I am finished my address to the House I will certainly permit a question. However, I cannot say when that will be. I have a lot of material and many ideas to present. It looks now as though I will take until Friday. Possibly some time between 4.30 and 5 o'clock on Friday I will permit a question, no later because I have a flight to catch. However, at this point I would like to continue because I have some very precise comments. They might interest the hon. member. In fact they may lead to some more questions.

Mr. Stevens: Mr. Speaker, I rise on a further point of order. I believe the hon. member misunderstood me. I believe he would find my question most helpful if he would give me an opportunity to put it. Perhaps he could give an answer that would be of great interest to the members of this House.

The Acting Speaker (Mr. Ethier): Again, the Chair must seek permission from the hon. member for Nickel Belt. Will the hon. member accept a question?

Mr. Rodriguez: Since the hon. member puts it that way, and as I am not a hard person to get along with, I do not mind him asking a question at this time. I have thought about it and the hon. member can ask his question.

Mr. Stevens: After listening to the hon. member for two hours and 20 minutes I wish to ask him out of curiosity whether he can tell us of any country in the world that has a tax system which he feels is ideal? If so, will he mention the name of that country so we can perhaps take a look at it?

Mr. Rodriguez: Mr. Speaker, in answer to the question, that has always been the approach of Tory governments in the past. They look outside the borders of Canada for models which do not necessarily fit Canadian needs. Our party has come up with a taxation system that is fair and just. It follows the recommendations of the Carter Commission report. I do not know whether the hon. member was in the Chamber an hour and 20 minutes ago when I dealt with the Carter Commission report. Surely the hon. member cannot argue with the premise that a buck is a buck is a buck and it should be taxed when it is earned.

● (2150)

The next point in our program concerns tax credits. By using tax credits we could move toward what we have always called the GAI program.

An hon. Member: The Gay program?

Mr. Rodriguez: The guaranteed annual income program. We are not looking for a Shangri La outside Canada. We have the resources and the ability to enable us to build a tax system which meets our needs. In the United States today they are looking for ways to revise the tax system—

Mr. Stevens: Tell us about what they are doing in Russia.

Mr. Rodriguez: The hon. member for York-Simcoe is holding up the example of the Russian model. That is a very conservative model. That is state capitalism. He would be good as a commissioner on financial matters in the central committee. And do you know something, Mr. Speaker? He would not look out of place in that line-up. Get him a uniform, get him a cap, get him the order of Lenin—the hon. member for Waterloo-Cambridge (Mr. Saltsman) brought several of those back—and he could take his place on the reviewing stand. He would fit in. But we who believe in democracy and freedom of choice could never accept such a system.

Mr. Stevens: What about the U.K., then?

Mr. Rodriguez: As to the United Kingdom, I would point out again to the hon. member that we must use Canadian talent, Canadian resources to build a tax system of a kind which meets our needs. And we who support the New Democratic Party would not come up with these fly-by-night programs such as the Registered Home Ownership Savings Plan. We would outline a housing policy based on housing as a social need, which is more than the official opposition and their new leader have been able to do; he has been going around the country talking about the Conservatives as an alternative government, but they do not have an alternative policy, so how could they form an alternative government?

The story is the same when it comes to the capital gains tax, even though the rate is 50 per cent. The Tories rushed to oppose it. One would think it threatened to take away all the wealth from those they favour. We have found out since that those with income of $20,000 or more made an average of $1,056 in capital gains in 1974, half of which was untaxed, for a total cost to the treasury of $148 million.

At the other end of the scale, the 4.3 million people getting between $4,000 and $10,000 registered an average capital gain of $14 for a total of $13 million. This is what we have been criticizing. We have been saying that our tax system, our model, would not contain loopholes. We have shown conclusively that no less than $6 billion was lost because of these loopholes. Somebody has to pick up that amount. Just imagine what would happen if all of us took advantage of the loopholes. Who would be carrying the tax burden? Somebody has to pay.

An hon. Member: The workers.

Mr. Rodriguez: Every time I think about work I am reminded of the industrial freedom songs I learnt when I was in school. We had them put in a little red book long before we ever heard of Chairman Mao's little red book. One, in particular, is appropriate. Since the hon. member for York-Simcoe is interested in the Soviet model, I think he will be interested in this song. It goes:

Why don't you work like other men do?

How in Hell can I work when there's no work to do?

Hallelujah, I'm a bum . . .
Why don't you save all the money you earn?

The Acting Speaker (Mr. Ethier): Order. We have sung a song in the House, but is was for a certain occasion. I do not believe this refers to the bill and I must ask the hon. member to relate his observations thereto.

Mr. Rodriguez: With all deference to the Chair, I was not singing. I was quoting the words of the working class people as they tried to bring out their feelings about the situation when they are unemployed and seek an opportunity of keeping their families going with some dignity.

Even education costs are going up, and we hear that only the children of the rich will be able to go to universities. I wanted to put those words on record because I think they are apropos when we are dealing with the question of who makes money in this country and who gets to keep it. It is certainly not the fellow singing that little rhyme.

We were talking about tax loopholes. I want to turn, now, to consider the loopholes which exist in the tax legislation as they relate especially to corporations, multi-national corporations.

May I call it ten o'clock?

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

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

ENERGY—PARTICIPATION IN MARITIME ENERGY POOL AND CONSTRUCTION OF GENERATING PLANTS

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, on January 25 I raised again with the Minister of Energy, Mines and Resources (Mr. Gillespie) a theme I voiced in a speech in this House on May 4, 1976, that of a maritime energy pool to make development of electric and transmitting facilities a priority and achieve maximum economies of scale with resultant benefit to all maritime users of electric energy.

I feel strongly that this is the course to follow and that the minister should give leadership in this direction. Dramatic increases in the cost of electric power in areas of Atlantic Canada have placed the region at a competitive disadvantage in the expansion of its industrial and manufacturing sectors, and inflicted a great measure of hardship on large segments of the population. We live with the fact that Atlantic Canada will continue to import over 100 million barrels of oil per year to sustain its energy systems. A carefully planned pool of generation and distribution systems would achieve vastly improved economies of scale. Strong interconnection with adjacent areas of Canada and the U.S.A. would optimize power pool benefits.

[Mr. Rodriguez.]

These proposals are not new. Speaking in this House in May of last year I put forward similar suggestions. However, the government has done little about the situation, and now I find myself, once again, asking that something be done.

The challenge of meeting future energy requirements at a reasonable cost is one which cannot and should not be met by the Atlantic provinces individually. Co-ordination and co-operation are imperative if this goal is to be achieved. The provinces are interested. The federal government should provide the enlightened leadership and the imagination necessary for the implementation of such inter-governmental schemes. Until Ottawa can come up with a plan, long overdue, to assist in the setting up of a maritime power pool, the people of Atlantic Canada will suffer through bleak and expensive winters.

The government cannot abrogate its responsibility any longer. It is not enough to express interest and polite approval. The scheme deserves an investment which can pay great dividends: active leadership and a commitment of financial support.

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I find it refreshing to hear the distinguished member for York-Sunbury (Mr. Howie) make his representations on behalf of his constituents after listening to the previous speaker who, in my opinion, has wasted the time of the House for the last two hours.

I can tell the hon. gentleman that the minister has exercised great leadership in this situation. I am sure the hon. member will be delighted to know that a decision will be announced probably tomorrow or the day after.

• (2200)

ENERGY—GOVERNMENT MEASURES TO INCREASE EXPLORATION IN FRONTIER AREAS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in view of alarming reports in regard to the possibility of an energy shortage which would seriously affect all Canadians, I should like to register my concern over the government's lack of a clear energy policy. The recent report of the Organization for Economic Co-operation and Development has called for new government policies for conservation and energy development to head off shortages, but I wonder whether the government of Canada has taken heed. The government of Canada has a moral obligation to answer the question: how are we going to meet our energy needs, and to what extent?

For the record, Mr. Speaker, the OECD has urged its members, Canada included, to develop additional energy supplies by implementing such policies as providing incentives for improvements in oil recovery and support programs. Measures to increase production should be aimed at improving the climate for investment. That certainly is not the case at present in Canada. In many respects the government is hindering development through excessive regulations. The reaction of the government to energy problems has been to regulate. Virtually every aspect of the Canadian petroleum industry is

now tightly regulated. Canadians should really be concerned that one of our major industries is subject to regulations that are often unstable, unclear, and unco-ordinated to the point where the industry's performance is impaired.

The government must take a great deal of the blame for Canada's energy problems. Rather than assisting the oil industry by working in a spirit of co-operation on a problem that is vital to our nation, this government has put obstacles in the way of developing a positive energy policy.

The question of energy policy in the present and the future is among the most important issues facing Canada at this time. To most Canadians, energy policy is wrapped up in pricing—what we pay for home heating, electricity, of at the gasoline pumps. The government cannot hide from the fact that there is an energy shortage, and Canadians want to know what it intends to do about it. In 1974, Canada ceased being a net crude oil exporter. In 1975, Canada imported an average of 115 million barrels of crude oil per day. While Canada still exports 39 per cent of its natural gas production, this is expected to decline in the mid-1980's and create a serious balance of payments problem. Even by 1980 Canada is forecast to spend over $3 billion yearly for imported oil. Forecasts show the situation becoming progressively worse in the 1980's.

In addition to hindering the energy problem through excessive regulations, the government has also taken a large portion of revenue from the oil industry which could well be used in expanding the oil industry to meet rising energy demands. It must be pointed out that by far the greatest bulk of price increases in oil of late have resulted from increased government taxes. For instance, fully 60 per cent of the cost of a gallon of gas at the pump is federal, provincial of municipal tax. Only 38 per cent of the cost covers the oil itself, its refining, marketing, the dealer's wage, etc. Profit is approximately 2 per cent of the price. I for one reject the idea that the oil industry is enjoying excessive profits. The oil industry today is in worse position than it was prior to the fall of 1973. when the wellhead price of a barrel of crude oil was $3.

Taxes and royalties now consume, for example, about $6 of the $9.75 for a barrel of Alberta crude oil. After taxes, Mr. Speaker, the oil companies have little left for oil exploration and development. What can be said with certainty is that oil exploration costs are skyrocketing, not just because of inflation but because today drilling is at expensive sites since cheaper sites have already been explored. Returns from money invested in oil exploration are quite low compared to other investment opportunities. This too has discouraged investment in exploration. On top of all of that oil company profits are quite variable due to the uncertain nature of production.

While the energy problem continues to become serious, many Canadians are wondering what the government intends to do. Should we satisfy our energy needs from our own resources to the full extent possible at costs that offer Canada an economic advantage? I think most Canadians would answer yes, and yet the government is showing no leadership in developing such a policy. I would guarantee that our energy needs are met and mitigate the risks associated with massive oil imports.

As we all know, oil is a non-renewable resource. Canada's energy priorities should include an effort to minimize our use of energy. Producing our own energy resources where the costs are right may offer tremendous economic savings and benefits, but wringing out the waste in our use of energy offers even greater economic savings and benefits. Simply stated, our energy conservation objective should be the use of the minimum amount of energy required to meet our social and economic needs and aspirations. Conservation, however, cannot answer all of our energy needs.

In terms of the many challenges which today confront Canada, energy is only one challenge, but it will have inevitable effects on all the others. While there are no easy nor instant solutions to our energy challenge, that is not an excuse for the government to ignore the problem and drift along hoping the problem will solve itself.

As I stated earlier, the government has a moral obligation to answer the question of how we are going to meet our energy needs. If it does have a long range contingency plan, then it should be made public. Canadians will not tolerate secrecy on such a vital matter. I rather suspect, however, that it is not a case of secrecy but rather of no policy. I would urge the government to develop a clear policy for energy before it is too late.

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in answer to the often raised questions from my distinguished colleague, the hon. member for Winnipeg South Centre (Mr. McKenzie), I should say, on top of what the minister and I have already said with regard to many of these interesting questions that, as regards the special revenues from oil and gas production that the federal government is collecting from the motor gasoline exise tax and from the oil export tax, these funds are specifically designated to maintain the oil import compensation fund to equalize gasoline prices across Canada and are not part of general revenues. As regards the prevailing financial environment, the hon. member should be aware of the incentive nature of the government's federal corporate tax system as related to the mineral resources industries.

Furthermore, as has been pointed out in the House before, it is the government's intention to monitor both the volume of cash flows accruing to the petroleum industry and the level of expenditures made by the industry in the search for new energy supplies. This monitoring will be conducted by the Department of Energy, Mines and Resources and will provide the government with the information it needs to ensure that industry is using its increased revenues to respond to the country's need for new oil and gas resources.

In the statement of policy on a proposed petroleum and natural gas act and new Canada oil and gas land regulations tabled in the House on May 19, 1976, by the Minister of Energy, Mines and Resources (Mr. Gillespie), he stated that the principles embodied in the legislation governing frontier

exploration are designed to encourage exploration through ensuring a stable investment climate, allowing developers to hold their entire productive area, and imposing of equitable royalties. There are, however, at the present time significantly greater factors influencing the level of oil and gas activity on Canada's frontier regions than just the terms and conditions of the existing and proposed new oil and gas land regulations. One of the most significant overriding factors governing the frontier exploration in the territories is the uncertainty pertaining to the timing of a gas pipeline.

• (2210)

Comparing the federal government's terms and conditions with those of Alberta is not really appropriate.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Dupras: Mr. Speaker, this is unfortunate. Perhaps I could be allowed to inform the hon. member that recently, to further the national objective of increased exploration in Canada's frontier regions—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the parliamentary secretary, but the time allotted to him has expired.

Mr. Hnatyshyn: Put it in a memo.

The Acting Speaker (Mr. Ethier): Order, please. A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.12 p.m.

HOUSE OF COMMONS

Tuesday, February 8, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

STATISTICS CANADA

REQUEST FOR DISCONTINUANCE OF METHOD OF MEASURING UNEMPLOYMENT—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of Statistics Canada's press release of today showing the highest number of Canadians unemployed, ever and since many new programs initiated by the government, especially the Minister of Manpower and Immigration (Mr. Cullen), to create jobs are based on a formula which uses Statistics Canada figures, I would move, seconded by the hon. member for Egmont (Mr. MacDonald):

That the new method of measuring unemployment which was adopted by Statistics Canada in February, 1976, be discontinued as experience has shown that it is not a more precise method of measurement in that it does not truly reflect the actual rate of unemployment both nationally and regionally, seasonal factors notwithstanding.

Mr. Broadbent: It's good to have you with us.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CANADIAN ECONOMY

MEASURES TO DEAL WITH UNEMPLOYMENT—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I, too, rise under the same standing order, on the same subject as that raised by the previous hon. member. I shall come directly to the point. I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House calls upon the government to bring forward at the earliest possible date a program designed to deal with the human and economic disaster that is entailed in the fact that at the official figure level we now have 900,000 Canadians unemployed.

Mr. Speaker: Order, please. Such motion cannot be presented for debate without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HOUSE OF COMMONS

SUGGESTED MAILING OF DAILY HANSARD TO CANADIANS WHO REQUEST IT—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with a very important matter.

In view of the fact that public information on the proceedings in the House of Commons is essential so that the government will obtain better cooperation from the public and that *Hansard* is the best tool to inform the public, and considering that before making huge expenditures to organize the television of proceedings it would be advisable to know to what extent the public is interested in them, I therefore move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House authorize the daily dispatch of *Hansard* to each Canadian citizen asking for it.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent, the motion therefore cannot be put.

* * *

[*English*]

INDUSTRY

ASSISTANCE TO LINERBOARD MILL AT STEPHENVILLE, NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. Increases in the numbers unemployed suggest the urgent necessity to pinpoint

and direct efforts to prevent deterioration of potentially sound industries by government intervention and assistance available. A glaring example of this situation relates to Labrador Linerboard Mill in Stephenville, Newfoundland, which employs some 2,000 and which is suffering from high cost of the available resource and marketing, problems that can be overcome by federal government attention. I therefore move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That this House orders that the government immediately enter into consultation with the provincial government of Newfoundland with the objective of providing assistance to prevent a threatening closure of Linerboard Mill.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CANADIAN ECONOMY

REQUEST FOR EXPLANATION OF FAILURE TO INTRODUCE BUDGETARY MEASURES—MOTION UNDER S.O. 43

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, pursuant to Standing Order 43, I rise on a matter of urgent and pressing necessity. As the Minister of Finance (Mr. Macdonald) has not appeared before the Standing Committee on Finance, Trade and Economic Affairs since November last year, and with today's shocking figures revealing that a record number of Canadians are out of work, up 10 per cent over last January, while the minister stalls on the introduction of needed budgetary measures including a tax cut to stimulate the economy and ensure more jobs for Canadians, I move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

That there be an immediate reference on the state of our economy to the Standing Committee on Finance, Trade and Economic Affairs, and that the Minister of Finance be required to appear before such committee to explain his lassitude in not introducing a budget that will more effectively grapple with today's economic realities.

Mr. Speaker: Order, please. Pursuant to Standing, Order 43 such motion cannot be presented for debate without the unanimous consent of the House. Is there unanimous consent?

[Mr. Marshall.]

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

REGIONAL ECONOMIC EXPANSION

SUGGESTED ACTION BY MINISTER TO PROVIDE EMPLOYMENT IN ATLANTIC PROVINCES—MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, I rise under the provisions of Standing Order 43. With 105,000 persons in Atlantic Canada out of work in January, a rise in one month of a staggering 17 per cent in the ranks of the unemployed, and in view of the large losses this means to productivity and well-being in the Atlantic provinces, I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That the Minister of Regional Economic Expansion take action today to get Atlantic Canadians back to work, that he call meetings in those communities hardest hit by unemployment to find out how large numbers of labour intensive jobs can be created, and that he give forceful direction to such departments as Transport, Public Works, Supply and Services, etc. to ensure that those jobs are available within the month.

Mr. Speaker: Order, please. Such motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

SUGGESTED DELAY OF DECISION ON KITIMAT PIPELINE PENDING PUBLIC HEARINGS AND PUBLICATION OF ENVIRONMENTAL STUDIES—MOTION UNDER S.O. 43

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, under the provisions of Standing Order 43 I wish to

raise a matter of urgent and pressing necessity, namely the environmental hazards inherent in allowing oil tankers of up to 350,000 tons to ply the dangerous 60 mile channel leading to Kitimat, B.C. in order to deliver crude oil from Alaska, Indonesia and the Middle East to supply the proposed pipeline from Kitimat to Edmonton and from there to refineries in the United States. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urges the federal government

1. To delay any decision on the Kitimat pipeline project until an environmental impact study has been completed and made available to the public.

2. To hold public hearings in the area likely to be affected by possible oil spills before allowing the National Energy Board and the Department of Transport to make any final decision with respect to the two applications submitted by the Kitimat Pipeline Company.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENVIRONMENTAL AFFAIRS

ALLEGED HARMFUL EFFECT OF BURIAL OF ARSENIC WASTE IN YELLOWKNIFE AREA—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I rise under the provisions of Standing Order No. 43 to move a motion of pressing and urgent necessity. In view of reports that buried arsenic wastes in Yellowknife pose a potentially great environmental hazard and in view of reports indicating that the Department of the Environment has been urging the Department of Northern Affairs to correct the situation for a number of years, but as yet no action has been taken, I move, seconded by the hon. member for Athabasca (Mr. Yewchuk):

That the Minister of the Environment, the Minister of Northern Affairs or the Minister of National Health and Welfare explain the lack of co-operation between these two departments and, in a full and complete statement, tell the House whether any environment studies were conducted into the effect of waste burial before this action was taken, and explain what further action he intends to take this time in this regard.

Mr. Speaker: Such a motion pursuant to Standing Order 43 can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

REASON FOR DELAYING BUDGETARY MEASURES TO CREATE EMPLOYMENT—LENGTH OF TIME FOR MEASURES TO BECOME EFFECTIVE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. With 889,000 Canadians out of work last month, a record figure and up an alarming 89,000 compared to January of last year, and noting that only 70,000 new jobs were created in Canada between January 1976 and January of this year, a fact which indicates that job creation has slowed considerably, will the minister tell the House why he has chosen to delay budgetary measures designed to stimulate job creation, bearing in mind that his last budget missed its job creation targets so badly?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we have just concluded a series of consultations with the provincial governments on the question of the economic framework for the current year. Those consultations will be taken into account along with studies now under way in the department for the presentation of the budget in an orderly way within the next several months.

Mr. Stevens: As it is generally conceded that it takes six to nine months for the economy to feel the effect of a budgetary change, for example we are only now feeling the results of the minister's May 25 budget, and certainly the 889,000 who are out of work are feeling the effect of that budget, will the minister indicate if he agrees that upon the presentation of his next budget, it will take a further six to nine months for relief to be felt from any stimulative measures such as tax cuts which may be included and, if so, is it fair for us to assume that the minister is more concerned with his political timing than the economic realities of today?

Mr. Macdonald (Rosedale): No, Mr. Speaker, not at all. I would point out to the hon. member that as of the first of this year there were tax cuts the equivalent of $1,250 million as a result of indexing. Also, there was a cut in the rate of contributions to unemployment insurance which has further increased personal disposable income. The re-institution of indexing family allowances has also added substantially to those incomes, particularly at the lower income scale. On that basis, there has been, effective as of the first of this year, a substantial transfer of funds from the federal government to the private sector tantamount in percentage terms to those brought into effect by President Carter in his recently announced tax proposals.

HIGH LEVELS OF UNEMPLOYMENT IN ATLANTIC PROVINCES—GOVERNMENT ACTION

Mr. Sinclair Stevens (York-Simcoe): While unemployment is a national problem, it is a tragedy in our five eastern provinces. Will the minister indicate if he or his government

has instituted any study to determine why since the present government took power in 1968, unemployment levels in Quebec have been one third higher than the national rate and in the Atlantic provinces the unemployment level has been approximately 50 per cent higher than the national average? If there is such a study, will the minister indicate why this unfortunate situation must continue.

Hon. Donald S. Macdonald (Minister of Finance): The obvious first step would be to make some studies to ascertain whether there is any truth in the figures the hon. gentleman has cited.

* * *

[*Translation*]

FINANCE

REQUEST FOR FUNDS TO CREATE EMPLOYMENT IN QUEBEC

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I want to ask a question of the Minister of Finance.

Since the number of jobs has decreased by 9,000 in Quebec since January 1976, while the number of unemployed has gone up by 39,000 during the same period, and since 17 per cent of people between 15 and 24 are now unemployed and 50 per cent of those who became unemployed during the last year live in Quebec, can the minister tell the House whether this dramatic situation will be taken into consideration in his budget?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I take into consideration the fact that the unemployment rate in Quebec has decreased during the last month.

Mr. Lavoie: Mr. Speaker, I want to ask a supplementary question.

Since more than 50 per cent of the new unemployed due to the social and economic situation of the last year are in Quebec, can the minister assure the House that his job creation program, if any jobs are eventually created, will be implemented for 50 per cent in Quebec? Will the minister include in his budget policies which will be to the advantage of the underdeveloped regions of Canada, not only Quebec, but also the Atlantic provinces, which suffered much the same situation?

Mr. Macdonald (Rosedale): Mr. Speaker, I remind the hon. member, as I reminded the hon. member for York-Simcoe, that by reducing taxes substantially through indexation and by raising family allowances, we made significant transfer payments to all the provinces of Canada but particularly to the five eastern provinces.

[Mr. Stevens.]

[*English*]

THE CANADIAN ECONOMY

REASON FOR FAILURE TO ANNOUNCE NEW PROGRAMS TO DEAL WITH UNEMPLOYMENT—PROPOSED FEDERAL-PROVINCIAL CONFERENCE

Mr. Edward Broadbent (Oshawa-Whitby): I have a question for the Prime Minister, Mr. Speaker. Now that the official level of unemployment has reached 900,000 and the actual figure is likely to be well in excess of a million if one includes people who have voluntarily left the labour force because they were not able to find jobs, would the Prime Minister not agree that we now face a human and economic crisis in the country?

Right Hon. P. E. Trudeau (Prime Minister): Even if the figures were much lower I would think there is a human crisis for every person who is unemployed and looking for a job. I think the hon. member would agree with that.

Some hon. Members: Hear, hear!

Mr. Broadbent: The Prime Minister's sentiments are truly touching. If he agrees, as I do, this situation is a human tragedy for all those who are directly involved, can he tell the House why the government has not announced one single new program since before the Christmas recess to bring down the level of unemployment?

Some hon. Members: Where have you been?

Mr. Trudeau: If the hon. member had been listening a couple of minutes ago rather than preparing his question, he would have heard that more than a billion dollars in tax reductions were transferred to the people of Canada since January plus a couple of hundred million in other payments.

Mr. Broadbent: In view of the fact that the tax deductions to which he has referred go overwhelmingly to upper income people because of the nature of the legislation, and since the Minister of Finance has indicated it may be many months before a budget comes down, would the Prime Minister not undertake to get in touch with the provincial premiers and set up a first ministers conference at which either he or the Minister of Finance would be instructed to bring forward proposals to create full employment over the next couple of years in this country?

Mr. Trudeau: The question is based on the assumption that we could get the premiers to Ottawa and that they, and we, could achieve a more satisfactory result than could a budget. I do not think such a premise is necessarily well-founded.

[*Translation*]

AGRICULTURE

DAIRYING—DATE OF ANNOUNCEMENT OF INCREASE IN IMPORTED DAIRY PRODUCTS

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is partially for the Minister of Agriculture and partially for the Minister of Industry, Trade and Commerce.

Could the minister tell the House whether he intends to make early and definite changes to the import policy passed last year whereby dairy product imports would go up by at least 10 per cent of domestic needs and, if so, when does he intend to announce them?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have made a statement to the effect that at the present time the government has no intention of increasing the importation into Canada of specialty cheeses.

[*Translation*]

Mr. Allard: Mr. Speaker, I should like to ask a supplementary. Can the minister tell the House whether there were any recent discussions and meetings on that matter with the management of the Canadian Federation of Dairy Products?

• (1420)

[*English*]

Mr. Whelan: Mr. Speaker, we have discussed this matter on several occasions. We discussed it at the annual meeting of the dairy farmers of Canada. We will be making an announcement regarding the new program for the whole of the dairy industry for the dairy year 1977-78 as soon as possible, and hope to announce it several weeks before the end of this dairy year, which is at the end of March.

* * *

HEALTH

ARSENIC POLLUTION IN DRINKING WATER IN YELLOWKNIFE AREA—SUGGEST REASSESSMENT OF 1975 REPORT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare and arises out of a report presented to the Royal College of Physicians and Surgeons of Ontario last week, in which the suggestion was made that arsenic levels in the hair of more than one part per million, or in drinking water of more than one part per million, are of great significance, contrary to the accepted standards of the federal government up until now. In view of the possibility that levels above one part per million in drinking water, as reported in the hair studies, could suggest nerve damage in humans, I wonder whether the minister would care to indicate if he will revise or reassess the report on which he commented in October, 1975 when a study of 700 residents of Yellowknife was carried out?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am informed that the doctor who made this statement subsequently said that he had been misquoted by the press.

[*English*]

Mr. Yewchuk: Mr. Speaker, a supplementary question. The minister is hiding behind the facts. I happen to know that the parts which were misquoted were not related to the question that I am putting to the minister. In view of the fact that the report to which I refer throws into question the report the minister tabled in October, 1975, which at that time indicated that detailed studies had been carried out further to the hair studies only on those individuals who had arsenic levels in the hair of more than 10 parts per million, and in view of the fact that those studies did not include electromyographic studies for nerve damage, would the minister agree that further studies should be conducted, including electromyographic studies, on all those whose hair arsenic levels were between one part and 10 parts per million, as well as on a control group whose arsenic level was less than one part per million, in order to ascertain more accurately to what extent there may have been damage to humans as a result of arsenic pollution?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I am glad to see the hon. member recognizes that the doctor involved was indeed misquoted by the press. Second, as regards tests made from hair only, the hon. member is surely aware that all scientists in that field indicate that those tests are not sufficient and that urinalyses are necessary to determine if health is really damaged or likely to be. Third, the hon. member also knows that an independent committee established by the Canadian Public Health Association is now considering—

[*English*]

Mr. Forrestall: If you are drinking arsenic, it is going to affect you. Our wells are full of arsenic; you tell me what to do about it.

[*Translation*]

Mr. Lalonde: If the hon. member would be kind enough to listen to the small loudspeaker, he would understand what is going on and refrain from yelping right and left as he does.

So, there is an independent committee which was created by the Canadian Public Health Association to review the situation, particularly in the Yellowknife area, with a view to recommending appropriate corrective measures. I am sure that this committee which is made up of distinguished scientists will recommend any improvement required for current levels established for analysis techniques.

[*English*]

Mr. Yewchuk: I wonder whether the minister could give the House his assurance that he will consider giving instructions that electromyographic examinations be done on a random sample of the population in Yellowknife, in accordance with

the report which was presented, to ensure that further information will be elicited based on this new technique which has not been used before.

[*Translation*]

Mr. Lalonde: Mr. Speaker, an independent committee made up of distinguished scientists has been appointed and was given extremely broad terms of reference which include suggesting any studies it may deem necessary. Therefore I have no intention of giving orders to this committee which is represented by leading scientists and which is duly qualified to make the necessary decisions.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

MEASURES TO DEAL WITH UNEMPLOYMENT IN ATLANTIC PROVINCES—GOVERNMENT ACTION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Regional Economic Expansion, and it is with respect to his responsibilities, particularly for the five eastern provinces, and more particularly for the situation in Atlantic Canada where unemployment has now passed the 100,000 mark. I wonder if the minister can indicate whether he is satisfied or feels that other federal departments are doing their utmost to re-orient their spending priorities with a view to creating the maximum number of jobs in the region for which he has basic responsibility. Second, can he indicate whether any new initiatives will soon be announced on behalf of his own department to deal with this very serious situation?

Finally, is he willing to have his Atlantic officials call together representatives from other departments in that area so that they can reorganize their priorities in an effort to see if some jobs can be created at the local level to deal with this very tragic situation?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, indeed some projects will be announced shortly. I intend to go to New Brunswick as early as this week, this Friday in fact, where I shall meet the premier of the province. I was in Newfoundland just a few weeks ago where we signed new agreements. I also intend to go to Prince Edward Island in the near future to meet the premier and his associates with a view to coming to an agreement on development and expense programs which will probably help, at least partly, to resolve a few problems, particularly that of the underemployment that exists almost everywhere in the maritimes.

As for the suggestion to call together the economic leaders in the four Atlantic provinces, there already are organizations doing precisely that work; they communicate with us regularly and transmit their best recommendations about the situations they have been able to analyze themselves. So I do intend to keep on cooperating with those organizations now existing in the maritimes.

[Mr. Yewchuk.]

[*English*]

THE CANADIAN ECONOMY

MEASURES TO CREATE EMPLOYMENT IN ATLANTIC PROVINCES

Mr. David MacDonald (Egmont): Mr. Speaker, I am grateful for that travelogue from the minister, and I would like to address a supplementary question to the Prime Minister. In a comment a moment ago to my colleague, the hon. member for York-Simcoe, the Prime Minister indicated that the area of greatest assistance might be in terms of the tax returns taking place this year with respect to job creation. I wonder if the Prime Minister could give some more specific indication of how this return of income will achieve further job creation rather than widening the disparity gap, which I know is of concern to the Prime Minister, and can he indicate whether any special instructions have been issued, particularly to the planning and priorities committees of cabinet or whether any special attempt is being made on the part of the federal government generally to deal with the very serious problem of job creation within the five eastern provinces.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the return of income to individuals increases effective demand, and when you increase effective demand, you tend to reduce over-supply or over-capacity in the system.

* * *

• (1430)

MANPOWER

SUGGESTED MEETINGS WITH ATLANTIC PROVINCES TO CO-ORDINATE JOB-CREATION PROGRAMS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of the statistics released today showing further serious increases in unemployment, is the minister now prepared to accede to the request I made to him on January 26 which was supported by the Atlantic provinces chamber of commerce that the minister initiate meetings with the governments of the four provinces to co-ordinate existing job creation programs and to initiate new programs to meet the critical situation which could involve the four provincial governments?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I will be going to Newfoundland and I will be meeting the official from the chamber of commerce. I have forgotten the individual's name. At the same time I will be meeting business people in the community there who might indicate if they have some ideas about what we might do and how we might better co-ordinate our efforts. In so far as calling governments together is concerned, I have not reached that decision yet.

UNEMPLOYMENT IN NEW BRUNSWICK—PROPOSED COMPARATIVE STUDY WITH STATE OF MAINE

Mr. J. Robert Howie (York-Sunbury): My question is for the Minister of Manpower and Immigration. In view of the fact that New Brunswick has the unfortunate distinction of having the highest increase in unemployment last month—it now stands at 14.7 per cent—while the neighbouring state of Maine with a similar economy has an unemployment rate of 8 per cent, has the minister done any comparative studies of the two economies to ascertain the root causes for the difference and has he any new initiatives to improve the situation?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, it is precisely because we are aware of high unemployment in that area that we have heavily weighted all grants and funds made available from this department in the interest of helping these areas of high unemployment. I suggest that the hon. member would find that people in the state of Maine, in the rest of the United States and in other countries, are looking into our job creation projects, because we have shown some initiative there, and are prepared to adopt them.

* * *

REGIONAL ECONOMIC EXPANSION

REQUEST FOR ANSWER TO ORDER PAPER QUESTION CONCERNING STUDIES OF UNEMPLOYMENT IN ATLANTIC PROVINCES

Mr. J. Robert Howie (York-Sunbury): My question is for the Minister of Regional Economic Expansion. One year has now elapsed since a question, still unanswered, relating to such studies was placed on the order paper. Will the minister now expedite the answer to that question so that all members can look at the alternatives that are available to assault the unemployment problem in Atlantic Canada?

* * *

INDUSTRY

GULF OIL, SHAWINIGAN AND HOLMES FOUNDRY, SARNIA—REQUEST FOR ASSISTANCE TO PREVENT LAY-OFFS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. As the minister well knows, the Gulf Oil Company has announced plans to close down this large operation in Shawinigan in Quebec, and the Holmes Foundry Company of Sarnia has announced it expects to make large scale lay-offs in the near future, both because of a serious slack in the economy. Has the minister been in touch with these two companies to see what assistance the government can give them in order to try to avert these large scale lay-offs and, if so, what is that assistance to be?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, with regard to Gulf, in Shawinigan, I was in touch with the president of Gulf Canada and the president of Gulf International to discuss those problems. Of course, the problem is very difficult since we are dealing here with chemical products that go back to 1906 and since the cost of electricity in that field has increased by 20 per cent annually in the last few years. Naturally, I can do nothing about Hydro-Quebec. I offered the help of my department to the Gulf Company but so far have yet to get a definite answer from them. As to the other question, I shall look into the matter and give an answer to the hon. member when I have received more information.

[*English*]

HAWKER SIDDELEY, TRENTON—GOVERNMENT ACTION TO ENABLE EMPLOYEES TO RETURN TO WORK

Hon. George Hees (Prince Edward-Hastings): As we did not get much hope out of that answer, I will ask the minister another question and hope he can do a little better on this. Would the minister advise the House what he is doing to make it possible for the majority of the 2,000 workers at the Hawker Siddeley plant in Trenton, Nova Scotia who have been laid off since well before Christmas to enable them to get back to work?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, if the hon. member followed the news a bit more closely, I think he would know that the Minister of Transport recently announced that the government will give work to that industry.

* * *

[*English*]

TRADE

GOVERNMENT ACTION TO ENSURE CROWN AGENCIES DO NOT COMPLY WITH ARAB BOYCOTT OF ISRAEL

Mrs. Ursula Appolloni (York South): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In the interest of justice and international peace, will the minister use his influence to ensure that no Crown agency, such as the Export Development Corporation, will grant any incentives to firms which resort to Arab or indeed any other kind of boycott not sanctioned by the United Nations?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, following the announcement made by my colleague, the Secretary of State for External Affairs, I myself and my deputy minister gave very specific instructions to our department not to give any help to companies endorsing the Arab boycott. In addition, I contacted the chairman of EDC personally and gave him the same instructions.

[*English*]

ENVIRONMENTAL AFFAIRS

DANGER FROM BURIED ARSENIC WASTE—GOVERNMENT ACTION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is for the Minister of the Environment, although the Minister of National Health and Welfare and the Minister of Indian Affairs and Northern Development, as well as the government of the Northwest Territories are also involved, and there seems to be a lot of buck passing going on because of overlapping jurisdiction. Will the minister confirm to the House that for several years government scientists have expressed concern that the practice of burying arsenic waste in abandoned mine shafts may be dangerous because of cracks in the rocks and melting of the permafrost around the waste which would result in water entering the waste areas and carrying highly toxic amounts of arsenic into the water system nearby? Will the minister undertake to make public those concerns and indicate what his department intends to do about it?

Hon. Roméo LeBlanc (Minister of the Environment): Mr. Speaker, I have just talked to the regional director about this problem. He informs me that it was an official from the Department of the Environment who indicated to the Territorial Water Board the potential danger of underground storage in permafrost instead of the traditional use of underground storage in the south. In fact, this intervention was in the record of the meeting of the water board which is a public document. I am also told that our officials insisted that it should be a condition of the renewal of the water permit for the company involved that this problem be focussed on. At the moment it is really because of unknown factors of permafrost versus other types of underground storage that there is concern. As far as I know, that is the only report. If there are other reports, I will be obviously quite willing to make them public or make them available.

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HEALTH

ARSENIC POLLUTION IN YELLOWKNIFE AREA—REQUEST THAT ALL REPORTS BE MADE PUBLIC

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my supplementary question is for the Minister of National Health and Welfare. The people of Yellowknife are becoming quite pessimistic about getting straight answers after the failure of the government to release these concerns and after the failure to release at least three previous studies until after they had been leaked to the press. Will the minister undertake to ensure that any remaining studies, reports and correspondence pertaining to the health of Yellowknife residents are made public immediately, and will he undertake to discuss this with his colleagues, the Minister of Indian Affairs and Northern Development and the Minister of the Environment and report back on the possibility of setting up an interdepartmental committee to ensure long-term co-ordination of the government's efforts in this area?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I challenge the hon. member to specify which reports were made public only after they were leaked to the press. To the best of my knowledge, this information is completely wrong. All health reports in question were released before the eastern Canada press discovered them. As far as I know, there are no reports, confidential, secret or otherwise, that have not been released to the press or to the public as soon as possible after they were completed.

So far as the second part of the question is concerned, the hon. member knows that the CPHA, the Canadian Public Health Association, has a task force currently looking at the whole situation of arsenic contamination in Yellowknife. As far as the question of arsenic in Yellowknife is concerned, there have been close and constant consultations between the federal departments concerned and the territorial government. I fail to see, therefore, what another interdepartmental committee will achieve at present. But I will be happy to receive the report of the CPHA, and if they recommend specific steps such as this, I will look into them.

* * *

INDUSTRY

ELECTRONICS—GOVERNMENT ACTION TO ASSIST

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce and it has to do with the plight in which the electronics industry in Canada finds itself. I am particularly concerned about the eroding employment opportunities and the best example I can give is that at RCA Ltd. in Prescott, where employment has fallen from 1,300 jobs to 335 jobs and that industry is in jeopardy. In terms of the problem presented by the statistics pulished today, what is the minister doing to assist the electronics industry in Canada as well as the others that have been mentioned to him?

• (1440)

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I am aware that there are problems in some sectors of Canadian industry, and the government policy to help industry is still the same. We are trying to help as much as possible, hoping that the anti-inflation policies of the government are going to bring along in the shortest possible time, the results we are expecting from them. If there is to be any explicit announcement concerning changes in our financial policies, this will be done at the proper time and place by the Minister of Finance (Mr. Macdonald).

[*English*]

Mr. Baker (Grenville-Carleton): A supplementary question, Mr. Speaker. In view of the fact that the policies of the government have raised the unemployment level in that area of eastern Ontario to some 12 per cent, does the minister have any new initiatives in mind to help the electronics industry, the food industry, the textile industry and the host of other industries in this part of Ontario that are suffering under similar unemployment levels?

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FEDERAL-PROVINCIAL RELATIONS

STUDIES TO DEMONSTRATE BENEFITS OF FEDERAL SYSTEM—DATE OF COMPLETION AND PUBLICATION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question for the Prime Minister is a follow-up to one I placed the other day as to what specific studies, what new initiatives, are being taken by the federal government to demonstrate the benefits that accrue from a federal system? Given Mr. Paul Tellier's appointment to head a new unit on matters of national unity in the federal-provincial relations office, will the Prime Minister say what specific studies are being undertaken as a priority, what is the planned timetable for completion of these studies and most important, will this information be made available to all members of parliament?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I regret that I have nothing to announce in that regard today but I would be willing to sit down with the hon. lady or her leader and see if she has any ideas in mind that would be worth pursuing.

Miss MacDonald: A supplementary question, Mr. Speaker. I would just like to say to the Prime Minister that my party will take up that offer at any time. While I recognize that the case for federal—

An hon. Member: Where is Joe?

Mr. Fairweather: Speaking on confederation in Alberta.

Miss MacDonald: —the case for federalism will not be made entirely on factual data or in economic terms, nevertheless would the Prime Minister give us the assurance that Mr. Tellier will have access to the wealth of information that already exists in so many of the federal departments so that the results of the early stages of his studies will be expedited?

Mr. Trudeau: Yes, Mr. Speaker. That is one of the main purposes in appointing Mr. Tellier, so that he can act as a co-ordinator to obtain from various departments any input they can supply to him, the rest of the government and the Canadian people.

UNEMPLOYMENT INSURANCE

SUGGESTED RETENTION OF EIGHT-WEEK ELIGIBILITY PERIOD FOR AREAS OF HIGH UNEMPLOYMENT—GOVERNMENT POSITION

Mr. John C. Crosbie (St. John's West): Mr. Speaker, may I put a question to the Minister of Manpower and Immigration. In view of the fact that unemployment statistics, particularly in the high unemployment regions of New Brunswick, Newfoundland and similar places are generally conceded to be an underestimate of the real situation, can the minister tell the House whether the government will amend Bill C-27 so that regional differences in unemployment can be recognized to provide that in areas of unemployment higher than the national average, the eight-week eligibility period will not be changed to 12 weeks at the discretion of the cabinet and will the same principle apply to the extended benefit section?

Hon. Jack Cullen (Minister of Manpower and Immigration): No to both questions, Mr. Speaker.

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TRANSPORT

PROVISION OF WORK FOR DOCKYARD AT ST. JOHN'S, NEWFOUNDLAND—GOVERNMENT ACTION

Mr. John C. Crosbie (St. John's West): Mr. Speaker, a supplementary question for the Minister of Transport. In view of the fact that the government will not amend Bill C-27, can the minister tell the House what steps he had taken to alleviate lay-offs in the dockyards of St. John's, Newfoundland? I wrote to the minister about this eight or ten days ago. Will he be able to put some CN vessels in there for repairs or take other steps to avert lay-offs in that area?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am asking the Canadian National for a report about its plan.

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THE CONSTITUTION

BRITISH COLUMBIA'S PLAN TO CREATE FIVE REGIONS—GOVERNMENT POSITION

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is directed to the Prime Minister. In view of the policy statement made by the government of British Columbia to the effect that if it can be recognized that there are five different regions in Canada, that different solutions are required in these regions and if working relationships can be developed between these regions Canada will be a stronger not a weaker country, does the Prime Minister agree in principle with this? Is he willing to broaden the terms of reference for a federal-provincial constitutional conference to allow enough flexibility for discussion of the British Columbia principle?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I certainly would agree that a stronger and more united Canada

would come from greater understanding between the regions, both between themselves and in their relationship with the federal government. Whether this presupposes four regions or five or ten or twelve is a matter of opinion, I suppose. I think the principle as stated by the hon. member will be stated differently by different provinces.

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IMMIGRATION

VISAS FOR VISITORS FROM COMMUNIST BLOC COUNTRIES—GOVERNMENT POSITION

Mr. Ron Huntington (Capilano): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Can the minister advise the House whether it is still the policy and the practice of the Department of Immigration to require visas for visitors to Canada from Communist bloc countries?

Mr. Speaker: Order, please. That information ought to be sought in another way.

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MANPOWER

LOCAL INITIATIVES PROGRAM—JUSTIFICATION FOR THE REMOVAL OF GRANTS FROM NEW BRUNSWICK

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, my question is for the Minister of Manpower and Immigration who is responsible for the LIP program. It was desirable, on the basis of statistics on unemployment then available, to make a supplementary allocation for LIP purposes to New Brunswick. According to news in this House it has since been deemed advisable to take some of that money from New Brunswick and allocate it to other regions, in spite of the fact that the statistics which justified the additional allocation now show it was not then big enough. Can the minister explain or justify the removal of LIP allocations from New Brunswick to any other jurisdiction?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, the allocation is a global one and we endeavoured to weight it as we did. New Brunswick's allocation was $17 million.

An hon. Member: Today Canada, tomorrow the world.

Mr. Cullen: I hardly think that is niggardly. It seems to me if that money could not be used it was appropriate that it be put back in an area where it could be used.

Mr. McCain: A supplementary question, Mr. Speaker. In view of the fact that some members were not consulted as to whether or not it was usable it becomes questionable if the facts justify the answer. May I ask the minister, in view of having taken this money away from New Brunswick, if he will increase the allocation which has been used for training so that the province of New Brunswick may increase and not decrease its training capability in the various trades and expertise which are required of any work force?

Mr. Cullen: Mr. Speaker, we have a very close working relationship with my opposite number in the province of New Brunswick who we are working with on on-the-job training programs. As I have indicated before, under LIP and under the Canada Works program and the Young Canada Works program the funds are heavily weighted in favour of areas of high unemployment. I think the hon. member should check the figures.

Mr. McCain: When unemployment went up the grants went down.

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TRANSPORT

PROVISION OF REFRIGERATOR CARS FOR SHIPMENT OF POTATOES—REQUEST FOR PROGRESS REPORT

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, may I put a question to the Minister of Transport? Since spokesmen for the potato shipping community down east are not at all happy and are rather discouraged by the lack of action and decision on the part of governments for not proceeding now with the construction in Canada of badly needed refrigerated railway cars, can the minister inform the House if he was able to achieve a consensus on this matter with his maritime counterparts when he met with them yesterday in Charlottetown and if so, what was decided?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, this matter was discussed, particularly with Premier Campbell and Mr. Maloney of the government of Prince Edward Island so we have consensus on the need for steps to improve and assure facilities for the shipment of potatoes in the future, but there is not yet consensus on the exact type of equipment or facilities required. These discussions will certainly continue.

• (1450)

POSSIBILITY OF CONTINUED ASSISTANCE TO FLOUR SHIPMENTS THROUGH ATLANTIC PORTS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my supplementary question to the Minister of Transport also arises from the meeting held yesterday in Charlottetown. Did he discuss Bill C-31, which would move flour and grain traffic from Halifax, Saint John and some St. Lawrence River ports; and, if so, with what result?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we discussed the bill, of course, but not the bill as described by the hon. member, because it would not remove flour from those ports.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I welcome the minister back from his conference with maritime premiers, including the Premier of Newfoundland. Is the minister now indicating to us that his brief statement on the user-pay policy, a statement which has given us heart since it seems that the policy will be laid to rest for the indefinite future, will not be of such a nature as to cause the minister to

reconsider the clause in Bill C-31 which would remove the so-called restraint. Is the minister saying to us that the user-pay policy could not be extended to that?

Mr. Lang: Mr. Speaker, I am not sure what the hon. member is asking. Does he want a full-blown description of our transport policy? I would refer him to a document of June, 1975. In it our whole approach to applying transportation as effectively as possible, while taking developmental and other questions into consideration, is laid out. I had indicated previously in the House that there is a variety of measures, including specific flour assistance measures, which will be considered in conjunction with that bill, and my comment would be that flour shipments there would continue.

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MANPOWER

CANADA WORKS PROGRAM—FUNDS FOR NATIVE PROJECTS IN URBAN COMMUNITIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. It is in connection with the allocation of funds to constituencies under the provisions of the Canada Works program which makes specific allocations for Indian projects, presumably for those Indians living on reserves. Since an increasingly large number of registered Indians are living in cities like Winnipeg, where a large percentage of Indians are unemployed, would the minister give consideration to making funds available for native projects in urban constituencies in which large numbers of native people now reside.

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I am pleased to learn that the hon. member supports the allocation for status Indians and sees that as a step forward. I have indicated and given instructions to the ministerial advisory groups to this effect: that for projects, special consideration and priority is to be given to status Indians and those who live in cities such as the hon. member mentioned. So far as setting up a special category is concerned, I would prefer not to do it. These individuals are included in our survey statistics.

Mr. Orlikow: A supplementary question, Mr. Speaker. Since in the constituency of Churchill there are some 25,000 native people from whom $900,000 has been specifically allocated—I have no complaint about that, Mr. Speaker—and since a city like Winnipeg which contains 10,000 native people, many of whom are unemployed, receives no money for that kind of project, and allocations in general are very small, would the minister consider allocating money to cities like Winnipeg, Regina, Calgary and Vancouver in which there are large numbers of unemployed native people?

Mr. Cullen: Mr. Speaker, we are endeavouring to cope with that situation as best we can, given the administrative difficulties which have arisen as a result of circumstances the hon. member mentioned. I think we have taken proper initiatives. Our stance with respect to status Indians on reserves is a step forward. There is no reason in the world why Indians in those areas could not get together, formulate a project and have it approved by an advisory group.

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[*Translation*]

HEALTH

REQUEST THAT GOVERNMENT SEND DRUGS TO DENIS NAUD WHO SUFFERS FROM DIABETES

Mr. Armand Caouette (Villeneuve): Mr. Speaker, my question is for the Minister of National Health and Welfare and I have given him notice of it.

Last January 27 I sent the minister a letter regarding the case of a young citizen of my constituency, Mr. Denis Naud, who has been suffering from a very uncommon disease called diabetes insipidus. According to the attending physician, the needed medicine is being held by laboratories in Ottawa, therefore preventing this young man from getting the urgent treatment required by his condition. I know that the minister is getting a lot of letters and that we have to allow a certain delay before expecting an answer. But, in view of the urgency of the situation, I would like to ask the minister whether he is prepared to do something to have this medicine forwarded as soon as possible to the attending physician of this young man?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first I would like to thank the hon. member for having given me notice of his question. I can assure him that I am going to look into this matter today and check whether my officials have not already taken the necessary steps to have this medicine forwarded in order that this young man can get them as soon as possible.

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[*English*]

FINANCE

TARIFFS ON OFFSHORE TOMATOES—GOVERNMENT ACTION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Finance. In December a brief was presented to the Department of Agriculture by both processors and producers of tomatoes, asking for support. I understand that a recommendation concerning tariffs on offshore tomatoes has been made to the Minister of Finance. Can the minister say what the recommendation was and when it might be implemented?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I thank the hon. gentleman for giving me notice of his intention to ask his question. I confirm to him that I am at present giving active consideration to the question of the import of Taiwanese tomatoes to Canada and possible action under the jurisdiction of my department which might restore a fair balance and the competitive position of those tomatoes in the Canadian market.

Mr. Ellis: Mr. Speaker, may I ask a brief supplementary question? Can the minister tell us when action will be taken? Many jobs are involved and timing is critical.

Mr. Macdonald (Rosedale): Mr. Speaker, I am getting lots of pressure from the Minister of Agriculture in this regard and expect to be able to make an announcement at an early date.

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EXTERNAL AFFAIRS

BOUNDARY DISPUTES RESULTING FROM EXTENSION OF FISHING ZONE—REQUEST FOR PROGRESS REPORT ON SETTLEMENT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the extension by Canada on January 1, 1977, of our jurisdiction over fishing operations, a similar extension being planned by the United States on March 1, 1977 which will result in fishermen of each country fishing in areas which are now or soon will be within the zone of the other country, I ask the minister what progress has been made in finalizing the boundary disputes between Canada and the United States, as it relates to Georges Bank on the east coast, as well as between Canada and France as it relates to St. Pierre and Miquelon, and also the boundary disputes between Canada and Denmark?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I can dispose of the latter parts of the question first, if I may. There is an arrangement in place with the government of France which provides for an interim solution during 1977, or an interim agreement during 1977, which should not cause any disruption in historic fishing patterns. This will be in place while further negotiations are carried on. Virtually the same situation applies with regard to the Denmark-Canada delineation.

With regard to the United States, a series of meetings were held last week in Los Angeles. We have had reports of some progress and will be resuming those meetings before our Prime Minister meets with President Carter. Hopefully at that time there will be further discussion on this point. The objective is to obtain for 1977 a similar form of interim agreement which will ensure that there is no disruption of fishing activity while discussion, which will be of much longer term, on a final settlement of the boundaries continues.

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REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF AGREEMENT COVERING RENFREW COUNTY

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Since the minister and his department have supposedly been in consultation with the province of Ontario about a joint venture, a general development agreement for the county of Renfrew since 1973, and promised in 1974 that Renfrew county would be in line for the next joint venture following the $17 million for Cornwall, and since in 1976 Ontario, because it could not get the co-operation and agreement of the federal government, had to do it alone and pump $2 million into Renfrew county, I ask the minister, when will the federal government honour its commitment and sign an agreement with the province of Ontario to help with infrastructure and other basic developments needed in this high unemployment county?

● (1500)

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, negotiations are still going on between the two levels of government and I trust that we can reach an agreement that will enable us to meet at least in part some of the priorities particular to this area of Ontario, but we have not reached that stage yet.

[*English*]

Mr. Dick: A supplementary question, Mr. Speaker. In view of the expansion that is taking place, as announced last night, in the industrial park in the area, owing to the provincial funding of infrastructure, does the minister expect that the Department of Regional Economic Expansion will negotiate for another four years, or does he expect an announcement to be made within the next six months?

[*Translation*]

Mr. Lessard: Mr. Speaker, I have to inform the hon. member and the House that I receive representations from a number of provinces of Canada and, in particular, from Ontario. There are several areas in Ontario where both the federal and provincial governments feel they should have higher priorities, and I hope this part of the province will have its turn.

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[*English*]

AGRICULTURE

MEAT INSPECTION SERVICE—SUGGESTION MORE VETERINARIANS BE HIRED

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of Agriculture. In view of the fact that the World Health Organization set a rate of one veterinarian for three primary product inspectors for the purpose of maintaining good beef inspection services and as the ratio in the Health of Animals Branch is now one veterinarian to five PPI, a ratio which could be having a detrimental effect on our inspection service and export market, will the minister advise what progress has been made by his department to hire more veterinarians to lower this ratio to the acceptable standard, taking into consideration that the salary schedule for veterinarians in the civil service is still pretty low.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I want to state before answering the hon. member's question that the meat inspection service in Canada is second to none in any nation, regardless of how many veterinarians they have. We have technicians who are better trained than technicians in any other country. I just want to point out that some veterinarians are telling us, and I am sure the hon. member is aware of this, that we are educating too many veterinarians. All veterinarians educated in our schools in Canada last year received jobs. We are competing with the private sector. We are putting millions of dollars into veterinary schools to educate more veterinarians. We hope that our department will be increasing the number of veterinarians to the tune of about 5,000 in the next five years.

Mr. Mitges: Mr. Speaker, I do not think the minister answered my question. In view of what the minister said about all the aid he is supposedly giving to veterinarians and veterinary schools, how is it that we cannot get these graduates to offer their services to the Health of Animals Branch?

Mr. Whelan: Mr. Speaker, we have to compete with the private sector. Some of the hon. member's colleagues in this House are the severest critics of government spending. This affects government spending with regard to providing this type of service. We are competing with the private sector. We are being very successful in our discussions with Treasury Board with regard to veterinarians.

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PRIVILEGE

MR. BALDWIN—JOINT COMMITTEE ON STATUTORY INSTRUMENTS—REMARK BY PRIME MINISTER

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise on a question of privilege which affects the Prime Minister (Mr. Trudeau). I am sorry to detain him, but I think it might be useful for him to stay. It concerns a statement he made to the press last Friday, a question he answered in the House on Friday, and the continuation of those questions yesterday. This involves a statement by the Prime Minister in response to a question by the hon. member for Greenwood (Mr. Brewin) on Friday. The Prime Minister said, referring to the Joint Committee on Statutory Instruments:

> I do know of the work of this committee and I hope it will report to the House so we are able to study the matter in more depth.

That is referring to the question of freedom of information. I recognize very well that it is not a matter of privilege for the government to make statements which may be inaccurate. If so, we would be up every day. Also, it is not a question of privilege for us to be able to demand that the government take some action. However, I suggest that the sort of statements made by the Prime Minister on Friday, and carried on yesterday, which contain a clear inference that we have a strong, courageous government straining at the leash to bring in a freedom of information bill and is being hampered by the fact that a joint committee of this parliament is failing to do its duty, must be brought to the attention of this House.

Some hon. Members: Hear, hear!

Mr. Baldwin: This is not the first time: if it were, I would be inclined to let it go. I think the right hon. member has to be nailed on this one. I cannot put this matter before Your Honour and the House without a very brief chronicle of the facts leading up to this situation. One year ago this House passed unanimously a motion adopting the report of the committee that there be a freedom of information bill. Nine months ago the then House leader indicated in response to a question that the government was preparing freedom of information legislation and was giving it some priority. Four months ago the government brought in a very wispy statement in the Speech from the Throne with regard to this matter.

On November 15 I asked the House leader what the government was going to do about this particular issue. The hon. gentleman replied that they were going to wait until the joint committee made its report and then they proposed to do something about it. Three days later I rose and pointed out to the minister that the committee could not do anything because it had no terms of reference. The hon. gentleman should have known that, as the Prime Minister should have known it. The committee reference fell to the ground at the end of last session. We have been waiting patiently for four months to have a chance to deal with this issue. The Prime Minister's statement on Friday is a clear indication that either it was a statement made with deliberation, or gross negligence, without the knowledge of what the Prime Minister should have done.

Some hon. Members: Hear, hear!

Mr. Baldwin: I recognize that the government is not interested in passing workable freedom of information legislation. The events of the last year or so have chronicled scandal, near-scandal and incompetence which have hung over this government, brought about by—

Mr. Speaker: Order, please. Until now, at least, I have exercised considerable generosity in allowing the hon. member, who has considerable experience in this House, to develop a question of privilege. I am prepared to wait for that, but I certainly think the remarks ought to be relevant to the question of privilege only.

Mr. Baldwin: Mr. Speaker, this is background material to indicate why the government failed to bring in a bill. However, I will leave that aspect of it.

Mr. Lalonde: Follow the rules.

Mr. Baldwin: The hon. minister, who is one of the most secretive ministers in this House, should not worry about the rules. I have established that it is within the knowledge of the government that this committee has not been given the terms of reference which would make it able to deal with this issue. The President of the Privy Council (Mr. MacEachen) knows it; the Prime Minister should know it. The right hon. member said on Friday that the government is not acting because it is waiting for this committee to make its report. I suggest that constitutes libel of the members of that committee who are anxious to complete their job. To suggest by innuendo that they are not doing their duty, and are not bringing in a report, when they do not have the terms of reference, is most improper.

Some hon. Members: Hear, hear!

Mr. Baldwin: I leave it at that, Mr. Speaker. I have not moved a motion because I do not think I could discharge the onus which I would have. However, this is a very serious breach of privilege. The only way the Prime Minister can purge himself is to indicate that he is going to bring in a freedom of information bill. If the government is afraid or is unwilling to do so, they should use Standing Order 68 and instruct a committee of this House to do it through parliament so that we can get on with this issue.

● (1510)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have noticed that when the hon. member for Peace River (Mr. Baldwin) has a weak case he usually states it in a very excited and emotional way. I think he has either forgotten what I said—it is on the record—or else he is unconsciously changing the sense of it. The reality is very simple. The standing committee has been actively and, I think, creatively engaged in this task for many months. It only reported toward the end of last week. In other words, it terminated its task in recent days. Now, apparently, it is chafing at the bit because it wants to get on with something else. What I said last week was that very soon we would put a government statement before the House on this whole matter of freedom of information and ask hon. members to get on with the task. All I ask of the hon. member is that he rest on his laurels for a day or two and not get excited, and everything will turn out the way it should.

Mr. Speaker: There being no motion attached to the intervention of the hon. member for Peace River (Mr. Baldwin), no decision is called for by the Chair.

[Mr. Lalonde.]

ROUTINE PROCEEDINGS

[*English*]

ENERGY

TABLING OF AGREEMENT IN PRINCIPLE ON ESTABLISHMENT OF MARITIME ENERGY CORPORATION

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to lay on the table, pursuant to Standing Order 41(2), a document which records the agreement in principle reached by myself, the Premier of Nova Scotia, the Premier of New Brunswick and the Premier of Prince Edward Island on the establishment of a maritime energy corporation.

MOTION TO REFER TO COMMITTEE SUBJECT OF ENERGY COST, CONSERVATION AND ANNUAL REPORT OF DEPARTMENT

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, with consent I should like to move and have accepted without debate a reference to the Standing Committee on National Resources and Public Works. I understand there is agreement to make this reference and have it accepted without debate. The motion is:

That the subject of energy cost and conservation and the annual report of the Department of Energy, Mines an Resources be referred to the Standing Committee on National Resources and Public Works.

Mr. Speaker: Order, please. If such a motion is to be presented now, without notice, there would have to be unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Speaker: There is no unanimous consent.

* * *

INCOME TAX ACT

BILL C-22—NOTICE OF MOTION UNDER S.O. 75C

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I wish to inform the House that I am advised it has not been possible to reach agreement under the provisions of Standing Order 75A or 75B in respect to proceedings at the third reading and passage stage of Bill C-22, an act to amend that statute law relating to income tax, and that I shall propose tomorrow a motion pursuant to Standing Order 75C to allocate one additional sitting day to that state of the proceedings.

Some hon. Members: Shame!

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Moncton (Mr. Jones) on a point of order.

Mr. Jones: On a point of order, Mr. Speaker, I understand that the motion is not tabled. I gave no consent to the motion read by the President of the Privy Council (Mr. MacEachen).

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 354, 691, 759, 880, 920, 987, 1,002, 1,059, 1,262 and 1,293.

[*Text*]

DAIRY INDUSTRY—SALES OF FIRMS

Question No. 354—**Mr. Nystrom:**

1. What proportion of total sales were the sales of the four largest firms in the dairy products industry in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year statistics are available)?

2. What proportion of total sales did the eight largest firms in the industry earn in (a) 1960 (b) 1965 (c) 1970 (d) 1975 (or the most recent year statistics are available)?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports: 1. The proportion of total sales earned by the four largest firms in the dairy products industry was 25.1 per cent in 1965, 29.2 per cent in 1970 and 33.0 per cent in 1972. Data for 1960 are not available.

2. The proportion of total sales earned by the eight largest firms in the industry was 34.8 per cent in 1965, 42.3 per cent in 1970 and 45.8 per cent in 1972. Data for 1960 are not available.

AMENDMENT TO INCOME TAX ACT

Question No. 691—**Mr. Hnatyshyn:**

Is the government giving consideration to changing the income tax legislation to assist in the transfer of multiple-owned farm land from one generation to the next thereby giving them the same tax status as single-owner operations?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): While the Income Tax Act permits the transfer of farm property to a second generation on a tax-deferred basis from individual to individual, this treatment has not been extended to farms owned by corporations or partnerships. The deferral of capital gains tax on individually-owned farms is a very special exception to the general framework of income tax legislation. It was introduced only for very compelling reasons which stem from the continuing importance of the small family farm to our country and the disruptive effect which this feature of the income tax system could have where the family was not organized to deal with it. Most of the farms in Canada are still relatively small, unincorporated operations, i.e. in 1971 out of a total of 366,128 farms over 98 per cent of them were unincorporated. Farm corporations are typically larger operations and the corporation provides among other things a flexible vehicle which can be readily used for estate planning and the orderly transfer of property from one generation to another. Moreover, it would be hard to justify special rollover treatment for farm corporations and not for other family businesses or perhaps the whole range of capital properties passing between generations on death.

EQUALIZATION GRANTS TO NOVA SCOTIA

Question No. 759—**Mr. Coates:**

What is the present estimate of total equalization grants which will be paid to the Province of Nova Scotia for the fiscal year ending March 31, 1977?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Total equalization payments to Nova Scotia in respect of the fiscal year ending March 31, 1977 are currrently estimated to be $293,044,000.

POST OFFICE DEPARTMENT—RENTAL OF TRUCKS

Question No. 880—**Mr. McKenzie:**

1. Does the Post Office Department lease trucks from private firms for the delivery of mail and, if so, by province and territory (a) what are the names and addresses of such firms (b) how many trucks are leased from each and at what cost?

2. Does the Department demand exclusive use of all such trucks to carry mail only or are they allowed to carry other goods?

Hon. J.-J. Blais (Postmaster General): 1. (a) and (b)

Name and address	Quantity and cost	Remarks
Five Wheel Truck Rental Montreal, Quebec	1 tractor $800 per month plus 22 cents per mile	
Arrow Leasing 25 Comstock Road Scarborough, Ontario	2 5-Ton Vans $400 per month plus 15 cents per mile	
Provincial Trailers Ltd. 1611 Brittania Rd. Mississauga, Ontario	15 45-foot trailers $250 per month	
North Queen Transport Ltd. 60 North Queen St. Toronto, Ontario	1 shunt vehicle $6 per hour used $3 per hour standby	

2. While under lease to the Post Office Department the vehicles are used exclusively for the transportation of mail or to train postal drivers.

Order Paper Questions

INTERNATIONAL DEVELOPMENT CO-OPERATION—PROJECTS

Question No. 920—**Mr. Howie:**

1. Have any projects been initiated under the five-year strategy for international development co-operation that focus on lower-income developing countries and, if so, what are they?

2. Are there any indications that such projects have begun to improve the living and working conditions in the countries?

3. What other major developments now underway, or in the planning stages, are the result of the government's endorsement of the five-year strategy?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): 1. In the fiscal year ending on March 31, 1976, Canada disbursed 334 million dollars to those developing countries with an annual GNP per capita of less than 200 dollars. This represented 65 per cent of the Canadian bilateral aid disbursements. In the period from September 1, 1975 to October 31, 1976, CIDA initiated 9 projects with a total commitment of 176 million dollars to these poorest of the developing countries. The 39 projects were in the following sectors: 10 in agriculture, 10 in transportation, six in potable water, two in small industry development, two in energy, two in forestry, two in telecommunications, two in education, and one each in health, fisheries and topographical mapping.

2. Yes, according to all the evidence, these projects and each individual one according to its particular objectives, normally contribute directly to the satisfaction of basic individual needs and thus have improved living and working conditions by relieving hunger, providing safe drinking water, increasing the nutritional value of basic foods, providing protective clothing and personal hygiene. Moreover, these projects contribute toward the satisfaction of social needs such as education, public health and community development. Some of these projects contribute indirectly to the improvement of conditions of life and work in disadvantaged countries by providing for the necessary infrastructure for economic development and for equipment essential for production for the satisfaction of individual and collective needs.

3. In addition to the increased focus on the poorest people described in the answers to (1) and (2) above, the Canadian International Development Agency is currently engaged in various major initiatives, among which are the following: (i) The Agency has embarked upon a programme to identify methods to bring about increased cooperation primarily with middle-income LDC's in the industrial sector. It is expected that the completed preliminary studies, undertaken by consultants on CIDA's behalf in a selected cross-section of recipients, will lead to further more detailed investigation of some of the proposals made by the consultants. At the same time the Agency is about to launch an experimental programme aimed at identifying a broader spectrum of new avenues of co-operation with Latin America countries, such as twinning arrangements between Canadian and Latin American institutions for cooperation in science and technology. (ii) The Canadian International Development Agency had made considerable progress in implementing the policy of untying development loans to suppliers in LDC's with the objective of helping the LDC's to develop their capacity to respond to the needs of both other LDC's and of themselves. Intensive interdepartmental consultation has taken place as well as consultation with industry representatives. (iii) Working groups in CIDA are well advanced in studying ways to improve both Canada's food aid programme and the Canadian response to disasters in the Third World, the former in conjunction with Treasury Board, the latter within CIDA. It is expected that recommendations will be submitted to the appropriate decision-making authorities in the near future. Apart from the above-mentioned major initiatives, CIDA is also pursuing the implementation of the other points of the strategy.

SUPER MAXIMUM PRISONS

Question No. 987—**Mr. Howie:**

Are any small, highly automated, super maximum prisons planned for construction start before March 31 (a) 1977 (b) 1978 (c) 1979 and, if so (i) how many (ii) what is the estimated cost (iii) how many inmates would be accommodated in each (iv) what is the estimated cost of each one?

Hon. Francis Fox (Solicitor General): The Canadian Penitentiary Service has no plans for the construction of small, highly automated, super maximum prisons. However, three Special Handling Units are being planned at the Correctional Development Centre in Laval, Quebec, at the Millhaven Institution, in Millhaven, Ontario and at the Saskatchewan Penitentiary, in Prince Albert, Saskatchewan, for the incarceration of very dangerous inmates.

PERCENTAGE OF TOTAL ASSETS CONTROLLED BY UNITED STATES COMPANIES

Question No. 1,002—**Mr. Herbert:**

What is the percentage of total assets controlled by US companies in the following Canadian industries (a) primary metals (b) metal fabricating (c) electrical products (d) mineral fuels (e) chemicals?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports: The following information has been extracted from Table 3 of the 1973 Corporations and Labour Unions Returns Act Report Part I.

	Total Assets ($000,000)	U.S. Controlled Assets ($000,000)	Percent U.S. Controlled
Primary Metals	5,199	376	7.2
Metal Fabricating	3,354	1,243	37.1
Electrical Products	3,060	1,758	57.5
Mineral Fuels	7,816	4,877	62.4
Chemical and Chemical Products	3,818	2,099	55.0

DEPARTMENT OF SECRETARY OF STATE—EQUIPMENT AND BUILDING REPAIRS

Question No. 1,059—**Mr. Mazankowski:**

1. What items, buildings or other equipment were repaired or maintained by the Administration Section, Department of the Secretary of State in the fiscal year (a) 1974-75 (b) 1975-76?

2. In each case, what was the nature of the breakdown, malfunction or condition of the item and what were the repairs or maintenance?

3. In each case, what was the original value of the item?

4. In each case, what was the expected life span of the item before the repairs or maintenance and what is the expected life of the item subsequent to the repairs or maintenance?

5. For what reason was the repair or maintenance not foreseen at the time of the presentation of the 1975-76 main estimates, resulting in an expenditure of 57,200 per cent over the estimates and also the previous year?

Hon. John Roberts (Secretary of State): 1. (a) and (b) All such items in use in the Department.

2, 3 and 4. Records have not been maintained in a manner which would enable the Department to extract the required information readily and without an inordinate amount of work, time and cost.

5. The difference between the 1975-76 Main Estimates for Purchased Repair and Upkeep and the Forecast Expenditures for 1975-76 for these items, as shown in the 1976-77 Main Estimates, is due entirely to the inclusion of an item for $1,700,000 for Tenant Services in the Department's 1975-76 Supplementary Estimates "A" which had previously been provided in the Estimates of the Department of Public Works. This change was to reflect the Treasury Board's policy decision requiring departments to account for such services in their own Estimates rather than in those of the Department of Public Works.

NATIONAL DEFENCE—MOVE OF COMMANDO UNIT AIRBORNE REGIMENT TO OTTAWA

Question No. 1,262—**Mr. Paproski:**

1. How much accommodation (stores, quarters and married quarters) is available at CFB (a) Uplands (b) Rockcliffe for No. One Commando Unit of the Airborne Regiment?

2. Is such accommodation sufficient and, if not (a) who is to be moved to make room (b) what amount will new construction cost and on what date will it be ready?

3. Based on the present plan (a) what will be the savings in personnel (b) will there be any savings in money and (i) if so, how much and where will the savings come from (ii) if not, how much will the move cost?

4. What amount will be spent on the airport at Petawawa to give it all-weather instrument flight rules (IFR) capability?

5. Was the Chief of the Defence Staff present when the announcement was made and, if not, is he available now?

6. Is there a threat which requires an infantry unit in Ottawa and, if so, what is it?

Hon. Barney Danson (Minister of National Defence): 1. There is sufficient hangar space at CFB Ottawa South (Uplands) to meet the needs of 1 CDO. Married personnel will compete according to current regulations for some of the about 800 married quarters of CFB Ottawa.

2. Yes.

3. Administrative support establishment positions formerly required to maintain 1 CDO at CFB Edmonton will no longer be required nor will they be required in Ottawa where they already exist and therefore shall be converted to operation positions. This relocation is expected to effect some economies but principally will improve the land force operational deployment. The move is expected to cost $500,000 on a one-time basis for personnel and equipment relocation.

4. None as this capability is not currently required.

5. No, but he is available now.

6. No.

RECONSTRUCTION OF RIDING MOUNTAIN PARKWAY, MANITOBA

Question No. 1,293—**Mr. McKinley:**

What was the final cost and the completion date for the contract to reconstruct the Riding Mountain Parkway from mile 15.86 to mile 24.0 in Riding Mountain National Park, Manitoba?

Mr. Alexandre Cyr (Parliamentary Secretary to Minister of Public Works): Contract was awarded in the Spring of 1975 in the amount of $1,062,000. The Interim Certificate of Completion has been issued in the amount of $1,215,965.20; however, the final contract amount will not be known pending completion of the final quantity calculations now under way. The original completion date specified in the contract was 1975-10-31. This Department on 1976-05-14, authorized an extended completion date of 1976-09-30, and, in fact, the work was accepted from the contractor on 1976-09-28.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question number 56 could be made an order for return, this return would be tabled immediately.

[*Text*]

UIC—PERSONNEL IN HEADQUARTERS

Question No. 56—**Mr. Cossitt:**

1. How many persons are employed at the Headquarters of the Unemployment Insurance Commission located at 222 Nepean Street, Ottawa (a) what is the number of persons in each classification and what is the salary range (b) what are the total salaries per year paid to all persons employed there (c) what is the total amount of overtime paid to all persons who are working or who have worked at 222 Nepean Street in each of the past three calendar years for which figures are available?

2. Has any survey been made by the government to determine whether the Unemployment Insurance Commission Headquarters at 222 Nepean Street is overstaffed and (a) if so, on what date and what were the results (b) if not, will such a survey be undertaken to determine whether any staff cut-backs or transfers to other jobs in the Public Service are warranted?

Return tabled.

Unemployment

Mr. Baker (Grenville-Carleton): Mr. Speaker, the hon. member for Leeds (Mr. Cossitt) is not here. Question No. 56 is his question. I wonder why the reply has been made an order for return. Is there a reason for it?

Mr. Goodale: I should have mentioned that the answer to that particular question involves eight pages of documentation. That is why it is being answered in this way.

Mr. Speaker: Is it agreed that the remaining questions be allowed to stand?

Some hon. Members: Agreed.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

LABOUR CONDITIONS

LEVEL OF UNEMPLOYMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I ask leave to move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the revelation this morning that the continuing chronic level of unemployment has now reached critical proportions, with 889,000 persons officially unemployed, the highest level since the great depression and the highest level in the history of Statistics Canada.

It is to be noted that as bad as these figures are, they do not include an additional 100,000 unemployed who have withdrawn completely from the labour force in recent months. It should also be noted in this connection that the government has failed to announce any new initiatives to alleviate unemployment and will not do so until its budget which may be as late as June of this year. I submit this constitutes a crisis and an emergency situation.

Mr. Speaker: The hon. member has made applications on previous occasions and the Chair has made rulings on previous occasions relating to the suitability of the use of Standing Order 26 in relation to a subject such as unemployment. I have made my position clear on the matter on previous occasions and, in turn, I have referred to precedents which seem to me to be applicable. I do not propose to read the whole of Standing Order 26 because it contains a number of subclauses, but I would draw attention to subclause 16(a) which provides:

> The matter proposed for discussion must relate to a genuine emergency, calling for immediate and urgent consideration.

I have said in the past that the matter referred to by the hon. member is one of extreme importance. As the situation becomes more severe, as was made evident by the questions put forward during the question period today and the answers thereto, it becomes an even more serious matter. However, this does not change its continuing nature or affect its eligibility for inclusion under Standing Order 26. In other words, no matter how important a subject, and while it might well be a proper one for consideration by this House in many other ways—and, indeed, it should be—this is a matter of ongoing concern and therefore is not a proper subject for debate under Standing Order 26.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

AMENDMENT RESPECTING PENSION PAYABLE TO PERSONS SIXTY-FIVE YEARS OF AGE AND OVER CONTINGENT UPON RESIDENCE IN CANADA

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-35, to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, hon. members will recall that on April 14 last I tabled in the House of Commons proposals to amend the Old Age Security Act. It is with pride today that I speak on the fruition of those proposals, Bill C-35. The amendments contained in the bill mean that over half a million residents of Canada may eventually gain access to the social security credits they have acquired overseas. They will also ensure greater equity of treatment among old age security pensioners by relating the basic old age security pension more directly to actual participation in Canadian society, and will bring greater consistency between this program and the other components of the Canadian retirement income system which are directly related to it.

● (1520)

I should stress that the proposed amendments will not alter three essential ingredients in the old age security program. Firstly, it is universal and non-contributory, based exclusively on residence in Canada; secondly, the pensions it provides become payable at age 65 at the earliest; and thirdly, it is the building block of the Canadian retirement income system.

The amending legislation improves the program in three important ways. First, it authorizes the inclusion of the OAS program in reciprocal agreements, which is not now the case; second, it proposes one single eligibility criterion instead of the three current ones; and third, it establishes partial pensions, which do not exist at present. In order that the retirement plans of current residents of this country not be jeopardized by the amending legislation, Bill C-35 further provides for a transition period of 40 years before the same, single eligibility requirement applies to everyone.

I should like, first of all, to comment on the OAS proposals and the reciprocal agreements. The amendments would

authorize inclusion of the old age security program in international agreements which would make benefits portable to and from countries with which Canada may negotiate agreements. Such agreements would directly benefit a large number of immigrants to this country, especially those who have chosen to retire in Canada to be near their children and grandchildren, many of whom find their foreign pensions frozen at the level at which they were on the day they left their country of origin, and eroded by inflation and devaluation. The central purpose of reciprocal international agreements is to protect migrants who spend portions of their working lives in more than one country. Such people cannot always meet the minimum eligibility requirements of the mandatory social security programs to which they have contributed.

Such countries as France, Italy, the United Kingdom and the United States, from which a large number of Canadian immigrants have come in recent years, have expressed interest in having reciprocal social security agreements with us and in preliminary discussions among officials have formulated proposals involving varying combinations of Canadian programs. Until now Canada has had no adequate response to such proposals since OAS, the building block of our retirement income system, could not be taken to the bargaining table.

The great majority of social security benefits of other countries are tied to participation in the labour force and, in a few cases, to periods of residence in the country concerned. The amount of individual pensions payable by such countries is usually a function of the number of years of contributions or residence which the applicant has accumulated at the time he or she reaches pensionable age.

In addition, most countries place explicit restrictions on the payment of social security benefits outside their national boundaries. Some pay their benefits only to beneficiaries having accumulated a certain minimum period of contributions or residence. Others do not pay them abroad to anyone, or restrict such payments to their own nationals, or do not pay adjustments in their benefits unless they have a social security agreement with the country to which their beneficiaries migrate.

Both the current OAS legislation and Bill C-35 have a restriction of the first type I have mentioned, that is to say, the requirement that the beneficiary must have lived in Canada for a minimum of 10 years after age 18 to receive the pension of Canada, or 20 years before it can be exported. In much the same manner as Canada would want to protect the benefits which as many as half a million of its current residents have acquired abroad, so would other countries wish to provide, through reciprocal agreements, for the easing of restrictions which Canada places on its own benefits, such as the 20-year rule for export of the OAS pension.

Even if the current OAS program could be taken to the bargaining table, it would be unusable in reciprocal agreements because of the "all or nothing" principle embodied in it and the different weight which attaches to the same number of years of residence in Canada. In contrast, the corresponding programs of other countries yield benefits which are prorated to periods of contributions or residence.

Under international social security agreements of the standard type, the restriction which governments place on the payment of their benefits outside national boundaries is overcome by adding together periods of contributions or residence in each of the contracting states to determine eligibility under the programs of one or both countries. Once eligibility is established, each party to the agreement calculates, under its own rules, its share of the composite benefit payable and pays it direct to the beneficiary. By such techniques, contracting states can make social security benefits portable across their boundaries and thereby protect the social security credits of their residents who work in the other country for part of their lives.

International agreements also provide for the removal of duplicate coverage. Hon. members will be familiar with the difficulties experienced by Canadian residents working in the United States and, conversely, with the situation of United States citizens working in Canada. For the time being, most people in this situation have to contribute both to the Canada Pension Plan and to the United States social security scheme. A reciprocal agreement with the United States government would resolve such anomalies.

I would caution all hon. members that Bill C-35, while it authorizes inclusion of the old age security program in international agreements, will not, in and of itself, give automatic access by residents of Canada to the social security credits acquired in foreign countries. It takes two to negotiate. The precise terms which other countries will be prepared to offer under agreements, and the details of what they will require of Canada in return, will of course become known only when negotiations begin.

For its part, the government of Canada will be prepared to enter into formal negotiations with other interested governments as soon as Bill C-35 becomes law and we can take the OAS program to the bargaining table. I might note in passing that international agreements on social security exclude all income-tested programs. The guaranteed income supplement will therefore never be part of international agreements.

Secondly, I should like to say a few words about the single eligibility requirement which is found in the proposed bill. Forty years hence, the same, single eligibility requirement will apply to every resident of Canada: the OAS pension will be acquired a year at a time, through residence in Canada after age 18, over a maximum 40-year period. Partial pensions will be available for those with less than 40 years' residence based on one-fortieth of a full pension for each year of residence in Canada. A minimum ten years of residence will be required for any pension to be payable in Canada, and a minimum 20 years for it to be payable outside the country.

At present, residents of Canada can qualify for their old age pension at age 65 in one of three ways. First, by living here for a full 40 years after age 18. This produces a pension for which you can apply from anywhere in the world and which is payable anywhere in the world. Secondly, one can qualify by

living here without interruption for the ten years immediately preceding application for the pension, normally from age 55 to age 65. This produces a pension payable in Canada for which you must apply from Canada and which becomes exportable after the pensioner has completed 20 years of residence here.

● (1530)

Finally, if an applicant has been absent from the country during the ten years preceding application for the pension, he or she can make up each year of absence by three years of residence between ages 18 and 54. This produces a pension payable in Canada only, unless the applicant can meet the 20-year export rule. The point to bear in mind, however, is that in order to qualify under this "three for one" provision the applicant must live in Canada for a full year before applying for the pension.

Unfortunately, the application of these eligibility criteria frequently results in inequitable treatment of beneficiaries. Let us take the case of someone who was born in Canada, lived and worked here and, say for health reasons, left the country at age 55. The 37 years of residence in Canada after age 18 which such a person had completed would not entitled the applicant to anything unless he or she were to re-establish residence in Canada for a full year before applying for the pension. On the other hand, a non-Canadian, say, again, for health reasons, can choose to come to Canada at age 55, live here until age 65, claim and get a full pension.

It will be clear from the foregoing that the current eligibility criteria, combined with the "all or nothing" principle, can favour applicants having had as little as ten years association with Canada over others who spent most of their working lives here. The amendments which the government has put forward will resolve this anomaly by giving each year of residence in Canada exactly the same value for OAS purposes and by establishing partial pensions. After the transition period, 40 years will draw a full forty-fortieths pension. Twenty years will be worth half as much as a full pension, and ten years a quarter as much.

In preparing the amendments which are now before us, one of the government's concerns was to ensure that no one currently in receipt of the pension, or in the process of building up their entitlement to it, would be affected by the changes in the rules. The OAS target population is composed of current and former residents of Canada. Within this group, those under the age of 25 when Bill C-35 becomes law and who have 40 years ahead of them to build up their entitlement to a forty-fortieths pensions will be governed by the new rules.

Current or former residents of Canada who are 25 and over when Bill C-35 comes into force will have the choice of the most beneficial set of rules when they apply for their OAS pension at age 65. Thus, no one—absolutely no one—who has some claim to an OAS entitlement by virtue of current or former residence in Canada will be deprived of the opportunity to earn a full pension. For the purposes of the act, current residents include those holding a valid immigrant visa when the amendments become law. They, too, could choose whichever set of rules is more advantageous to their particular circumstances.

It should be noted, as well, that receipt of a partial OAS pension will give access to the income-tested guaranteed income supplement, as the full pension currently does, and will be adjusted quarterly to the consumer price index, as is the case for the full pension now. Similarly, the younger spouse of an OAS pensioner will continue to be entitled to consideration for the spouses' allowance benefits; the OAS equivalent portion of such benefits will be calculated in the same manner as the OAS pension itself.

People who have never resided in Canada and who do not hold an immigrant visa will henceforth be governed by the new rules and earn their pension a year at a time, as will every other legal resident of Canada. Others—current and former residents of Canada—may qualify for pensions under the new law, while they have no entitlement at all under current legislation, or can receive a partial pension earlier than they could have received a full one.

[*Translation*]

Finally, Mr. Speaker, I should like to comment on other features of the amending legislation. Bill C-35 also includes an amendment which will exempt family allowance benefits as income for the purpose of calculating entitlement to GIS and spouse's allowances.

When the GIS program was developed in 1966, family allowances were not taxable; consequently, they were not considered part of a GIS applicant's income and had no effect on the amount of the supplement payable. However, when family allowances became taxable in 1974, the benefits automatically counted as part of one's income in calculating eligibility for GIS. Henceforth, family allowances will not be counted as income for calculation of benefits under the guaranteed income supplement or the spouses' allowance programs. Approximately 10,000 pensioners, it is estimated, will benefit from this change.

A number of other amendments have been introduced in the bill to facilitate the proper administration of the program and to prevent abuse of the legislation originally passed by parliament. As an example, the amending legislation will prevent the payment abroad, for more than six months, of OAS benefits to persons who have ceased to reside in Canada and who do not meet the 20-year export rule. Technically, such persons can now defeat the 20-year rule for export of the pension by returning to Canada for one day every six months. Bill C-35 corrects this situation.

Provision is also made in the legislation for the granting of commissioner of oath authority to departmental officers to expedite the administration of certain provisions of the act, notably those relating to proof of marriage.

Finally, in order that parliament may fully exercise its authority over the use of public funds, Bill C-35 describes the procedure to be used for the ratification, by both Houses of Parliament, of reciprocal social security agreements which the government of Canada may negotiate with foreign govern-

ments under the authority of the governor-in-council. This ratification procedure is the same as that which applies to income tax agreements with which members of this House are familiar.

Mr. Speaker, in conclusion, Canadians have reason to be proud of the retirement income system which has been built over the years. It can stand comparison with the best in the world. We can be prouder yet when the amendments become law, because there will be more equity in the treatment of OAS beneficiaries, more consistency within the system itself, and the possibility of negotiating international agreements to protect the social security credits of people migrating into and out of Canada.

Let me emphasize that we have taken great care in the phasing in of the new residence requirements. No one in receipt of a pension will have that pension reduced. People under 25, who have 40 years ahead of them before retirement, will have the opportunity to qualify for a 40/40ths pension under the new rules.

Those 25 and over, current or former residents of Canada, will be able to claim their pension at age 65 under the most beneficial set of rules. Current residents, for this purpose, include people holding immigrant visas when the act is enforced.

Older immigrants to our country will earn their pension one year at a time, as will every other resident of Canada.

Pensions (partial and full) will be adjusted quarterly in line with increases in the consumer price index. Partial pensioners will be able to receive the full guaranteed income supplement, if their other income is low enough to qualify them for this. And in the small proportion of cases where there may still be a deficiency in income to meet basic living requirements, the individuals concerned will have access to the income support programs administered by provincial governments and funded jointly by the provinces and the federal government.

We are improving the equity of the program in future years, and relating the basic old age security pension more directly to actual participation in Canadian society. And we must remember that, in doing so, we also make this program more consistent with the programs of other countries, thereby facilitating the negotiation of bilateral agreements covering pensions. This, in turn, should make it possible for many immigrants to improve their retirement income position.

Mr. Speaker, those are the comments I wanted to make in introducing the bill. I thank hon. members for their kind attention.

• (1540)

[*English*]

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I want to say, first, that we on this side of the House consider that the steps the minister has taken are worthy of very serious consideration. The minister, on April 4, 1976, announced the government's proposed amendments to the Old Age Security Act which would—

—address the inequities which are rising because of the increasing number of persons whose active working life and retirement are not all spent in Canada.

Actually, as has been pointed out by the minister, there were two proposals. One will affect every Canadian through the change in residence rules and, of course, those who recently arrived in Canada, and the other will affect Canadians living abroad and older persons who have come to Canada. With particular reference to the last point, as has been stated by the minister there are some 500,000 people living in Canada who—I will not use the word "neglect" because I do not think it is fair—because of the foot-dragging, and perhaps, procrastination of this government have been denied benefits simply because this government was unable, with all its wisdom—

An hon. Member: Wisdom?

Mr. Alexander: —yes, wisdom and all its support staff, was unable to come up with legislation which would enable it to enter into reciprocal agreements with such countries as the United Kingdom, Italy and France. Therefore, these people have been deprived of benefits. I will not dwell on that too long, but let me say that we on this side of the House take a very dim view of that. I have here much correspondence between the High Commission of the United Kingdom and this government dating back to 1970. Proposals have been submitted. It is now February 8, 1977. The minister smiles. Perhaps he anticipates that I will clap him on the back, but it is not my role to clap ministers on the back for anything, because they are getting paid enough to bring forward legislation sufficiently early to benefit Canadians.

In the last Speech from the Throne we read the government's announced intention to address itself to inequities. There is more to that than residence requirements and reciprocal agreements. I should like to make a few comments on this without speaking at any great length. My colleague, the hon. member for Battle River (Mr. Malone), and myself have been out on a quality of life tour to determine the quality of life of our senior citizens, whether they have any grievances, and so forth. Our governments—notice how I say "governments" so as to be purely objective—are doing the right thing with respect to our senior citizens. There are some two million Canadians who are at present entitled to old age security, but because of medical advances and improvement of the quality of life—my life and that of the Minister of National Health and Welfare (Mr. Lalonde)—will live longer in the golden years of their lives. Therefore, we must be concerned about those people because of the attitude of some of us in the country that older people should be shipped out to pasture at the age of 65 to fend for themselves. I heard that comment on many occasions as I travelled from the Atlantic Ocean to the Pacific Ocean and back. There seems to be an attitude in Canada that once you are 65, you are useless; there is no purpose to your life, and therefore you should be institutionalized.

Mr. Sharp: Be kind to me.

Mr. Alexander: There is a role for the institution to play, but we should concern ourselves with improving this situation. The reason I am so much in favour of immigrants and immigration to Canada is that the type of person we are bringing here respects and appreciates the worthiness of his elders. You do not find too many new immigrants sending their parents and grandparents to institutions. I see the minister nodding his head in affirmation. We Canadians have been sloppy in this respect.

Mr. Francis: Or worse.

Mr. Alexander: "Or worse", as the hon. member says. I want to let the minister know that there is concern about that matter. When we talk about inequities, let me point out that senior citizens are concerned about the rising cost of living. We found on our tour that they are concerned about food, clothing, housing and fuel. Yet the cost of living index, as the minister knows, is based on a multiplicity of factors, some of which do not affect senior citizens. So they want us to try to devise a new formula so that the indexing will relate more to their needs.

They were angry about the minister forcing senior citizens into retirement at age 65. The minister knows what I am talking about. His colleague, the Minister of Manpower and Immigration (Mr. Cullen), introduced amendments to the Unemployment Insurance Act which denied benefits to people after age 65. In other words, this is forced retirement. Under the present Unemployment Insurance Act, after age 65 you cannot pay premiums and you are not entitled to benefits.

● (1550)

Mr. Lalonde: But you may get your Canada pension benefits without retirement.

Mr. Alexander: Mr. Speaker, when the minister was speaking I did not interrupt him. He says they can get their Canada pension, but I am not talking about the Canada pension. I am talking about the work ethic and those who are aged 65 but do not want to collect the Canada pension because they are still energetic enough and have the strength to work. As I look to my left, and I will not mention names—

Mr. Knowles (Winnipeg North Centre): Why not?

Mr. Alexander: I think the hon. member knows what I am getting at, Mr. Speaker. If we were to force retirement in this House, some of the greatest parliamentarians would have to vacate the premises.

Some hon. Members: Hear, hear!

Mr. Alexander: Some people over 65 want to work, not because it is a great joy but because they have commitments, and the cost of living is high. Due to this government's ineptness in solving the many problems that are destroying our economy, however, people find it necessary to work in order to help themselves, those they brought into the world, and their children. But the government says that at age 65 they are not now eligible for unemployment insurance. It has been said they are ripping off the system. Why pick on these people who have contributed so much to the country? Surely it would be easy to find the few in this age group who are ripping off the system compared to the number between, say, age 20 and 25 who are said to be doing the same thing.

This bill is part and parcel of the whole mess in which we find ourselves as a result of this government and, in particular, this minister. The provisions regarding spouse's allowance are also cause for concern and we have fought them tooth and nail. The minister did not have the decency to define "spouse"—he did not even put "married" in the bill. "Spouse" could mean someone with whom you are living. But that is another problem, although it shows the direction in which this government is moving.

An hon. Member: Permissive.

Mr. Alexander: My point is that when one spouse is 65 and the other is between 60 and 64, their costs for housing and the necessities of life keep on and, indeed, sometimes increase. If the one who is age 65 dies, the other one does not collect old age security. If these people live in a senior citizens' home or nursing home, however, the person under 65 does get something, as does the one over 65; but when the one drawing old age security dies, the other one does not collect. Those are just some of the inequities, Mr. Speaker. The provision regarding the spouse's allowance excludes widows, widowers, spinsters, bachelors and divorcees: it encourages living in sin.

The New Horizons program is another matter of concern. The senior citizens to whom I speak are unhappy about the criteria set for projects. I think these criteria come from academics and eggheads who are fortunate enough to work in Ottawa. They are young people who have no idea of the needs of senior citizens. They can only see the obvious, and that is the type of program of which they approve. If it is in any way aesthetic or intangible, they rule that it does not meet the criteria. The criteria of people aged 25 or 30? With all due respect, I think some civil servants should get out of their offices occasionally and see what is going on in the country. Perhaps they would realize that some of the policies they conceive and pass along to ministers are ill-considered. I know they work hard on these things—almost as hard as members of parliament. We are all working together for a common cause.

Senior citizens are also concerned about not being able to live in their own homes. They, naturally, want to stay in the home they saved and suffered to pay for, and live in an environment they know amongst their friends and children. Perhaps there could be some form of incentive offered to keep senior citizens in the homes they now occupy. In the long run it might be even cheaper than building senior citizens' homes, although these are needed too. Perhaps some sort of incentive could be given to children to maintain parents in their homes.

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, these people who have brought Canada to where it is today feel left out of the

mainstream of Canadian life in many ways. They believe they have been kicked out to pasture, are forgotten, useless and are not in a position to make any further contribution. I reject that philosophy, but it seems to be the thinking behind many things.

The formula proposed for the residence requirement is better than the present one because it simplifies the eligibility provision. This is a complex bill and worthy of our very serious consideration, so a lot of questions have to be asked, and I hope we will get the answers. As I said before, we are not going to chastise the minister; we will let the bill go to committee so that hon. members will be able to discuss it and understand it thoroughly. There are a few things that concern members on both sides who represent large cities. I hope the publicity concerning the residence amendment will make clear just who will be affected and that those collecting pensions will not suffer any loss of benefits.

I witnessed the government spend about $1 million publicizing the merits of the Anti-Inflation Board, how well it was working and telling us of the impact of wage and price controls on the economy. I hope consideration has been given to bringing information about this bill to the people who will be affected. I have no idea how this can be done, but surely if the government can spend $1 million in an effort to con people about the anti-inflation program and wage and price controls, it can find a few dollars to tell people about amendments to the Old Age Security Act.

● (1600)

At present, to qualify for the old age security pension a person must be 65 years of age and, (a) have resided in Canada for 40 years after the age of 18—that is the 40-year rule; or (b), have resided in Canada for ten consecutive years after age 55—that is the ten-year rule; or (c), if a person has resided less than ten years in Canada after age 55, or if the ten years of residence after age 55 have not been continuous, the difference can be made up at the rate of three years of residence in Canada, accumulated between the age of 18 and 55, for every year missing.

Each person must, also, live in Canada for the year immediately prior to the initial year of benefit, under that old age security rule. Therefore, one must consider the 40-year rule, the 10-year rule, the "three years for one"rule and the "last year of residency rule." All these rules are messy. The situation at present is full of inequities as different years of residence have different weights with regard to OAS. For example, if a person has lived in Canada for 38 years but leaves the year before his OAS benefits begin, he will not qualify for OAS.

Allow me now to allude to the situation of a man now living in Florida who does mind being referred to by name in this House. I brought this chap to the minister's attention. I know the minister reads most of the letters he gets. I think he must have read the letter I sent because it dealt with a matter of some significance. I am referring to the situation of Mr. William Cranston. Mr. Cranston left Canada in 1965. His period of residence in Canada after age 18 totalled 37 years, 11 months. I now quote from the minister's letter dated January 13, 1977, and signed, apparently, by the minister himself. The minister said in part in his letter:

> My officials inform me that Mr. Cranston left Canada in December, 1965. His period of residence in Canada after age 18 totals 37 years, 11 months. Mr. Cranston would not, therefore, qualify for the pension under any of the methods outlined above.

The minister was referring to conditions I put on the record a few minutes ago. Is it not strange that after being a resident of Canada for 37 years, 11 months, Mr. Cranston was not entitled to a pension? I continue quoting from the minister's letter, part of which deals with the legislation before us. He said in part:

> This proposal would remove inequities in the "all or nothing" feature of the present legislation under which residents of Canada may be entitled to a full old age security pension after ten years residence in Canada between the ages of 55 and 65—

Unfortunately, even though a person may have lived in this country for 39 years after his eighteenth birthday, under the present law he would not be entitled to a pension. Is this not strange? This bill addresses itself to situations of that kind. We do not know how many people are affected, but we intend to find out. The present arrangement is an "all or nothing" format which often does not give due recognition to the years of productivity and contribution a citizen has given to Canada over his years of residence. In light of this fact, we are now dealing with proposals saying that OAS should become payable in direct proportion to the person's years of residence. One year of residence will earn the person one-fortieth of his OAS pension, with a maximum of 40 years to receive a full pension.

It should be noted that the minimum residence requirement of ten years will be retained, but will refer to any ten years of residence in Canada after age 18. As well, a minimum of 20 years residence will still be required to collect OAS from abroad. Once again, any 20 years of residence after age 18 will qualify. This will essentially solve most, if not all, of the inequity problem which I have discussed. Since each year of residence will receive the same weight, the proposed provision will eliminate the "all or nothing" nature of the present OAS plan and it will become possible to collect a partial pension.

For the benefit of those who subscribe to *Hansard*, let me put on record the new criteria the minister has proposed under this bill. Although I do not like flattering our ministers, I think we ought to recognize what the minister has done in this instance. I hope I did not sound too flowery.

Mr. Hnatyshyn: In other words, you are not all bad.

Mr. Alexander: I am not concerned about whether the minister is good or bad; I could not care less, since we intend to sit on the government side of the House. But I want to show our people how this country should be governed in a responsible and responsive fashion for the benefit of Canadians. Let me put on record some questions and answers concerning the proposed legislation to amend the Old Age Security Act. They read as follows:

Q. What would the new residence rules be?

A. Under the new rules, the Old Age Security pension would be "earned" by residents of Canada a year at a time, that is, at the rate of one-fortieth of the eventual full pension for each year of residence here after age 18.

Receipt of the pension in Canada would continue to be subject to a minimum residence period of ten years after age 18 and receipt of the pension abroad, to a minimum residence period of 20 years.

40 years of residence after age 18—a full OAS pension, in Canada or abroad;

20 years (or more) of residence after age 18 (but less than 40)—half a pension (or more) in Canada or abroad; ten years of residence after age 18 (but less than 20)—a quarter of a pension (or more, up to nineteen-fortieths) payable in Canada only.

The last part of that answer could create problems—which are not insurmountable, I might add. We ought to let it be known that the intention of this bill is to cut the pensions of the recently arrived. The minister has not said anything; therefore I assume I am right.

Mr. Lalonde: That is not the case.

Mr. Alexander: Mr. Speaker, the last part of the answer reads:

Ten years of residence after age 18 (but less than 20)—a quarter of a pension (or more, up to nineteen-fortieths) payable in Canada only.

Mr. Lalonde: If you reside in Canada at the time of passage of the bill, you have the choice of the best way of obtaining a pension.

Mr. Alexander: We ought to publicize that; most people are not aware of it. We should like to say that we like what the minister is doing. Unfortunately, we cannot keep abreast of much of what is happening in the government. In this connection I wish to pay tribute to my parliamentary intern, the brilliant Miss Lillian Wong.

Some hon. Members: Hear, hear!

Mr. Alexander: We must give credit where credit is due. I favour our system of parliamentary internship and hope we can expand it. Our parliamentary interns assist significantly those of us who, by virtue of the pressure of business, find it difficult to know everything ministers are doing. Ministers have at their disposal considerable resources. They employ speechwriters, some of whom are paid $1,500 for writing one speech.

Mr. Hnatyshyn: You have got to be kidding. Let us get back to flattery.

Mr. Alexander: I now raise the difficulty of those who arrive here from other countries in their later years of life, say when they are 50 years old or more. Under the newly-proposed legislation, they would receive only a proportion of the maximum possible pension because, apparently, now you must earn your pension. If the immigrants come from a country where social assistance is not available or with which a bilateral agreement has not been negotiated, will their partial pensions be adequate to support them if they have no other means of income? I ask this since I, as a member of parliament concerned about the welfare of Canadians, have some responsibility in this matter. That is why we must examine this bill carefully in committee to determine if my fears are valid or not.

I ask, will these people entering our country in their later years become burdens on the families which may have brought them over? Will this provision simply increase payments from other forms of social assistance so that the amounts saved from the new legislation will be cancelled out by increases in other payments? This concern was raised especially with regard to the new immigration legislation which will allow the immigration of parents of Canadian citizens or landed immigrants regardless of age.

An hon. Member: You don't know what you are talking about.

Mr. Alexander: I hear an hon. member suggesting that I do not know what I am talking about. Because the minister brought this bill forward so quickly, we have not had the opportunity to consider in depth the provisions of this complicated legislation. The fact that it was brought forward so quickly shows how poor is the government's legislative program. It is not the usual deal where you have a couple of weeks to look into it and have it researched. I was away looking after the interests of our senior citizens. I left last Wednesday. At that time there was no intention of bringing in this bill at this early stage. Back I came, and all hell broke loose. They are bringing in amendments to the Old Age Security Act. I hope the provinces are happy. I hope the consultative machinery which was required has been pursued, and that they believe we are moving in the right direction, particularly when I raised my concern about immigrants.

● (1610)

Here is another question. As I said before, the minister's kit is not bad. However, I want to put some of these questions and answers on the record of *Hansard*. They are as follows:

QUESTION: Could the amount of a partial pension be increased if the beneficiary resided for additional years in Canada?

ANSWER: Once in pay, the amount of a pension could not be increased by virtue of additional residence in Canada.

I think people would like to know that.

QUESTION: Once the proposed legislation comes into effect, would persons already in receipt of the full OAS pension, or who subsequently qualify for it under the present rules, be able to take it abroad?

ANSWER: Yes, If they have resided in Canada for 20 years, after the age of 18, as the present rules require. The same 20-year minimum for export of the pension abroad would be retained under the new rules. In other words, you could export a half-pension under the new rules. Currently, of course, this is not possible since there are no partial pensions.

QUESTION: How are former residents of Canada treated under present rules, and how would the new rules affect them?

ANSWER: If they have resided here for a full 40 years after age 18, former residents can receive their full pension abroad at age 65. If they have less than 40 years residence in Canada, however, they may qualify under the "three for one" rule—but they have to return to Canada and reside here during the year preceding commencement of the pension. Under the new rules, a former resident of Canada with at least 20 years of prior legal residence here after age 18 would be entitled to receive a portion of the full pension abroad at age 65, without returning to Canada.

QUESTION: To whom would the new residence rules apply?

ANSWER: After a transition period of 40 years, to everybody.

That is something I will have to look into. This is an example where we do not know what the minister is talking about. It seems obvious, but we will have to ask quite a few questions.

During the transition period, however, only to residents of Canada under the age of 25 when the new rules come into force, and to anyone, irrespective of age, who at that time, is not residing in Canada, has not had prior legal residence here after the age of 18, or does not hold an immigrant visa.

Persons 25 and over residing in Canada, having had prior legal residence here after the age of 18 or holding an immigrant visa when the new rules come into force, will have the opportunity, as they have now, to qualify for a full pension under the existing residence requirements. If they cannot qualify for a full pension under the existing rules, they could receive a partial pension related to their years of residence in Canada, under the new rules.

That is the part I am talking about regarding the immigrant.

QUESTION:. Would the new rules affect pensions already in pay?

ANSWER: The proposed amendments would not affect OAS pensions currently in pay nor would they apply to persons who, when the proposed new rules come into force, are 25 years of age or over and are residents of Canada, have had prior legal residence here after the age of 18, or hold an immigrant visa, unless those persons so elect.

It is with regard to these types of matters that the minister should ensure sufficient publicity is given, because at first blush it is extremely complicated. Let us get into the other matter which of course is of some importance. This question affects some 500,000 people in this country as well as those who intend to come here. It can be generally stated that all countries pay pensions, if available, to all within their own respective territories, but there is a difference if the person begins to reside abroad. We are now getting into the reciprocal agreement matter which I believe is important. It is necessary, and we should ensure that it is implemented as soon as possible. The differences to which I have referred include things such as some pay abroad under certain conditions, and some pay abroad to eligible nationals. For example, Canada and the United Kingdom pay abroad to nationals and aliens, but the United States pays aliens abroad if they are nationals of countries which pay social security benefits abroad in full to beneficiaries who are United States' nationalists. That is important. It will be seen that there are a lot of "if" and "but" approaches to security in terms of who gets what, depending on where you were born and what you contributed before you left the country.

There are problems with regard to increases, particularly as this system applies to those who live in the United Kingdom, France and Italy. Adjustments to Canada old age security, etc., are paid abroad because of our present legislation. The United Kingdom pays such increases abroad only to countries which have reciprocal agreements or arrangements on social security. It is interesting to note that there is such an agreement with the United States and the United Kingdom, but lo and behold, the same, necessary agreement between Canada and the United Kingdom is not yet in effect. That is what we are dealing with now.

Since 1959, the United Kingdom, with the consent of Canada, pays its pensions to persons returning from Canada who have failed the residence test. This is a unilateral arrangement, no obligation being incurred on the Canadian side and it confers no advantage on persons moving from the United Kingdom. If you live in some parts of the United Kingdom, you may get an increase or the possibility of indexing, but once you are here you do not get that. That is what this bill will allow people to acquire, if I understand it correctly.

At present, the United Kingdom feels that the cost of increases falls on contributors and employers in the United Kingdom, and therefore it is unreasonable and unfair to pay such increases to those outside the country. However, this policy can be modified by reciprocal agreements covering matters of the social security of people moving between these two countries and effecting avoidance of dual liability for contributions, the combining of periods of residence and labour force attachment in countries for benefit purposes, and a transfer of benefits of all kinds from one country to another. Under this type of reciprocal agreement, they usually include a provision enabling increases to be paid in either country.

In the meantime, a limited social security agreement exists between the United Kingdom and Canada designed to benefit persons returning to Britain from Canada after substantial periods of residence in Canada who fail to qualify for the Canadian old age security pension. I am using the United Kingdom as an example because I was able to get more information on it than others. The United Kingdom, in an exchange of letters with the Canadian government in 1959, undertook to pay United Kingdom pensions to such persons if they satisfied the same conditions as to age and United Kingdom residence as are applied by the Canadian law in Canada. At present, because of the lack of legislative initiative, Canada is unable to negotiate bilateral agreements involving old age security in order to make pension benefits portable across territories.

The new amendments seek the authority to negotiate such agreements so that credits from the various countries will become collectable. Therefore, on the international level proposals are now being introduced to protect the acquired social security credits of our residents who migrate across international borders during their active years, by negotiating reciprocal agreements with other countries. This would facilitate the receipt of pension credits accumulated by immigrants in their country of origin though they now reside in Canada.

Reciprocal agreements make social security portable between contracting countries and allow for the co-ordination of their social security programs. They will close the gaps in social security coverage. For example, if one country has a retirement plan based on employment, and another country has one based on residence, the person migrating will have problems receiving adequate coverage unless some arrangements are made between the countries to recognize his contributions to both. Therefore, we are going in the right direction; there is no question about that.

● (1620)

Another point is that by simple agreement we will remove duplicate social security coverage. Some countries require persons to contribute to their social security programs while in the country, though not resident: for example, the United States. Another point is that we shall be using the procedures of totalizing and prorating in determining an applicant's eligibility for benefit. Totalizing allows periods of residence or contribution in each of the contracting states to be combined for the purpose of determining the person's eligibility in one or both states. As the minister said, periods in country A are considered to be periods in country B as well.

Prorating involves the calculation of the amount of benefits payable by each contracting state in proportion to the periods of residence of contribution in them. Each contracting state is responsible for calculating its portion of the benefit payable under its legislation and for paying its fraction of the composite benefit. I should like to point out that the combination of the new residency requirement and the reciprocal agreements will make the old age security program consistent with the Canada Pension Plan and the Quebec Pension Plan. At present those programs are related to actual earnings and are prorated over the time during which a person has contributed. Old age security payments are at present not prorated over the time of Canadian residency. Further, the Canada Pension Plan and the Quebec Pension Plan are obtainable from anywhere, whereas old age security benefits can be obtained only after one year of residency immediately prior to the beginning of benefits unless one has lived in Canada for 40 years after the age of 18. I might add that at present the Canada and Quebec pension plans may be included in international social security agreements by legislative authority.

Once the bill before us is proclaimed, the federal government can begin to negotiate agreements with countries such as Italy, the United States and the United Kingdom which have expressed a desire for reciprocal agreements many times in the past. I understand other countries such as Belgium, Bermuda, Guyana, Jamaica, Malta, Norway, France and Turkey would definitely be interested.

In conclusion, I have certain questions and answers which I should like to put on record in *Hansard* for the edification of my colleagues and people across Canada. These are questions relating to reciprocal agreements which have been both posed and answered by the officials:

QUESTION: Would Canada and Canadian residents be net gainers under such agreements or would the other countries and their residents?

ANSWER: There can only be a complete answer to this question after we have entered into agreements, since total benefit flows between countries depend upon such factors as the number of beneficiairies who qualify, their age and length of connection to the labour force, the number of immigrants remaining in Canada and the programs included in individual agreements. Because a greater number of people come here to live than leave Canada, the balance of expenditures is likely to be in Canada's favour.

We shall have to look in some depth at that question and the answer given, Mr. Speaker. Here is the other question and answer:

[Mr. Alexander.]

QUESTION: If enacted, will the proposed legislation increase or reduce the total cost of the old age security program?

ANSWER: The proposed amendments will not alter the cost of the program to any significant degree.

That is a phrase which I do not altogether understand. It depends, I suppose, on what one means by "significant". I know the minister has touched on this aspect, but I want to put these matters on record so we shall know what answer is given at this time and compare it with the answer which might be given in the future when we ask the same question. The answer continues:

As a matter of fact, the amendments may result in a marginal reduction in the total cost of the OAS program after, say, the first ten years of operation. What will happen, however, under reciprocal social security agreements, is that a significant amount of foreign benefits which are not presently payable in Canada will become so.

Mr. Speaker, I have tried to put before the House the import of the legislation and indicate the aspects to which some thought ought to be given. I would hope that the details of the legislation meet the criteria of, in the first instance, Italy, the United States and the United Kingdom, the countries which have been pressing hard for arrangements of this kind. I do not know how we can be sure of this. Possibly our ambassadors abroad keep those countries informed, or perhaps they have already seen the legislation. Are high level discussions carried on between Canadian officials and officials of those countries?

I make these comments in the hope that once this legislation is given royal assent it will not be long before we can put the old "John Henry" on the respective agreements. I hope it will not be a matter of months or years before we can bring these arrangements into operation. Let me emphasize that in the absence of reciprocal agreements immigrants will continue to be deprived of benefits earned in their former countries of residence. Other speakers from my party will touch on these matters in more detail, but you can rest assured, Mr. Speaker, that we will give this bill top priority to see that those who have been denied for so long will at last be given benefits they so richly deserve.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the things this bill does are good. We shall therefore give it not only our consideration but our support. A sentence like that carries with it the implication that there are some things which the bill fails to do, and before I end my remarks I shall refer to some of those shortcomings and urge the government to give consideration to those matters as well. However, I should first deal with the bill which is before us.

We welcome the proposed changes. As I was listening to the hon. member for Hamilton West (Mr. Alexander), I went through two or three cycles of trying to decide what to say to him. At times he annoyed me, but I thought: No, this is not a time to be critical. I finally decided that instead of trying to answer him or attack him for some of the things he said, I would make an appeal to him. My appeal is based on the fact that what is most needed in Canada with respect to this bill is an understanding of it. My appeal to the hon. member and to his colleagues in the Progressive Conservative party is that

they join with all of us in the House in helping to explain this measure to the people of Canada, instead of nitpicking at it, as I am afraid he did in much of his speech this afternoon.

This is not a bill which has been thrown at us out of the blue. I know it did not get first reading until January 31, which is eight days ago, not three, but I also know that ideas such as those expressed in this legislation were first discussed in the Standing Committee on Health, Welfare and Social Affairs some three or four years ago.

• (1630)

I also know that on April 14, 1976, the Minister of National Health and Welfare (Mr. Lalonde) made a statement in the House as to the government's intentions, and this bill is practically in line with those intentions. There was also a briefing session a few days ago to which all of us could go. So I suggest that we are not taken by surprise today; we knew what was coming. Furthermore, many of the provisions that are in this bill answer problems and questions that we have raised from time to time. So because what is mainly needed is an explanatory role, I hope that all of us in the House of Commons will join in that role.

I might take just a moment to say that I do smile at a piece of legislation which puts in it a proposal for its maturity not to be reached for 40 years. The suggestion is that somehow the arrangements set in this bill will be there intact for 40 years. Sir, the first old age pension act agreed to by both Houses of Parliament was passed in 1926, and old age pensions under the original regime came into effect in Canada in 1927, just about 50 years ago this very month. I have not taken the trouble to count how many changes we have made in our pension legislation in those 50 years, but I would say it is in the order of 25 to 30 times that we have amended our pension legislation. So I suspect that this new legislation will not stay just as it is for 40 years; there will be lots of changes down the road. I take it from the minister's smile that he takes the same attitude that I take in this regard.

An hon. Member: You will still be here then.

Mr. Knowles (Winnipeg North Centre): Well, Mr. Speaker, I was aware of the beginnings of old age pensions. I was aware of the battle that was put up by the former member for Winnipeg North Centre, the late J. S. Woodsworth. I have been here through most of the changes that have been made, so I thank my hon. friend for his invitation that I continue to be a member of this House until this bill has reached its full maturity.

I have indicated that my general response to this bill is favourable. For, after all, it is, in what it does, a housekeeping matter; it sorts out technical problems rather than changing any policy. Even at the risk of repeating what the minister said, may I indicate some of the things that it does which I think are good. First of all, it solves in a rational way the problem of Canadians who have lived here before they reached the age of 65 and who feel they have some entitlement to a pension from the country they have lived in, even though they have moved away. At the moment, the rules requiring residence for the last ten years, or coming back for a year, or the "three for one" rule, are indeed complicated, but the new legislation will put it on a very simple basis. Anyone who has been in Canada since the age of 18, no matter when he goes away, will be able to get that many fortieths of the pension that there are years he was here following the age of 18. So it solves that particular problem for many Canadians.

We have all had the experience of hearing about many Canadians who have gone abroad and who would like to get a pension. We write to them and say that there is a way they can do so, but it means coming back to Canada for a certain length of time. This is impossible in some cases, and costly in others, so it is not very practical. This is a practical, sensible way to solve this problem, and we welcome it.

Secondly, it does something for a great many Canadians who are here now, particularly persons who have come here from the United Kingdom. I have noticed the interest with which the hon. member for Victoria (Mr. McKinnon) and the hon. member for Esquimalt-Saanich (Mr. Munro) have been following this legislation. If the correspondence I get from their constituents is an indication of the correspondence that they get, then they know, as I know, that there are many persons in that part of Canada as well as in other parts who came here from the United Kingdom and other countries who have pensions from those countries which are frozen because there is no basis for a reciprocal agreement respecting pensions between Canada and their country of origin.

Once this bill is passed and the agreements have been drawn up, this particular problem will be solved. People from the United Kingdom and from other countries who are living in Canada and whose pensions from their country of origin are frozen will have their pensions from their homelands escalated, so for them this legislation is good.

It will also do something for many persons in Canada who have come from a number of countries where they earned pension rights that they are not getting at all. Never mind getting a pension on a frozen basis, Mr. Speaker; many of them are not getting a pension at all because they have come to a different land and there is no reciprocal agreement. As the minister said in his introductory remarks, there are probably 500,000 people in these two categories living in Canada who will see an improvement in the amount of the pension they are receiving once this legislation goes through and the reciprocal agreements which are made possible under it are put into effect. This is good, and I think we should say so.

The only persons about whom there is any question as to what is going to happen are those persons not yet here, who do not have visas, and may not even be planning to come. These are people who come here, after this legislation is in effect, at the age of 45, 50, 55, and who will not be able to get, in the space of ten years, the full pension that such persons now here are able to get. What we should say to them, apart from the element of fairness which the minister, I thought, dealt with quite adequately, is that the reciprocal arrangements which are possible mean that these people may well be able to get,

when they do come to Canada, a pension that they have earned in their original place of residence—or original places, if they have been in two or three countries—together with a portion of the Canadian old age security pension. In the end, they can probably be just as well off, perhaps even better off. The total amount of pensions they have earned in various countries could well amount to more than the basic old age security pension in this country.

It must also be said with respect to these people, despite the criticisms that I still register against the means test which applies to the guaranteed income supplement, that it is available to them in full. Therefore, the only people who can have any doubts about their being treated fairly under this legislation are, as I say, immigrants who come to Canada after the legislation is in effect, people in the 50 to 55 age bracket. But the fact is that when the whole package is put in place these people can be just as well off as they are now, or even better. Let me emphasize the fact that the legislation makes it very clear that there are no changes for any persons who are in Canada now and who are over 25 years of age. There are no changes for persons who have visas to get here now, or by the time this legislation comes into effect.

Some remarks were made a while ago about public servants. I am getting tired of these attacks that are made on public servants on the floor of this House. If there is one place where we ought to appreciate public servants, Mr. Speaker, it is here, where we know the work that they do for us. As one who raised questions on this kind of thing three or four years ago in the Standing Committee on Health, Welfare and Social Affairs, I applaud the work that some hard working public servants have obviously done with respect to working out these details. Perhaps the minister would like me to give him all the credit for it, but I am not going to do so. He has to lay down policies. But I suggest that the detailed work done in order to see that there is fairness down the line was work that was done by these public servants.

There was the suggestion that they should get out of their offices and go out into the country and see what things are like. I do not worry about public servants going out of their offices. I wish that more members of the House would talk to old age pensioners and would realize how urgent are their needs—and I will be coming to them a little later when I talk about aspects that are not included in this bill. In any case, I am making it clear, without any question, that in so far as this bill is a housekeeping measure, in so far as it makes certain changes to the structure of the legislation, I think it is good and should have our support.

● (1640)

Yes, we have to take the bill into committee. Yes, we have to ask questions and get them answered, although our questions have been pretty well answered already in the material we have had in the last ten months. This was not thrown at us overnight, and much of the material which has been given to us in the last ten months has been given to us because over the years we have been asking for this kind of thing. So I urge very strongly that in respect of this piece of legislation we display co-operation amongst the members of the various parties in this House in explaining to the country and to the people concerned that what we are really doing is improving our old age security legislation.

I would like to turn to a few of the details—if I have not already been referring to details—and make a comment or two. I do so because of some of the strange things I have heard in radio and television announcements. It is really startling how they get things twisted. I heard a report one night that there was to be a new rule requiring ten years' residence in Canada before a person can get the old age pension. That rule has been there since the beginning of time. There is nothing new about a ten-year rule. It was always there. I heard references to the 20-year rule in order to take the pension away from Canada. That has been the rule for a long time. It used to be 25 years, but it was reduced to 20 years. As a matter of fact, it used to be that no pension was paid outside of Canada at all, so there is certainly no detraction in that from the rights which are now enjoyed.

Then there is another line I hear from some of these commentators, who know it all once they have heard a newscast or two, to the effect that the new rules are going to be discriminatory and that we are going to have two or three classes of Canadians. Well, one thing has to be said about this bill: it puts everybody on an equal basis whether he was born here and stays, born here and goes away, born here, goes away and comes back, or comes as an immigrant. No matter what the basis is, citizen or not, it puts everyone on the same basis. The amount of basic old age security a person will get at age 65 depends on the number of years that person has resided in the country after age 18. It is far from being discriminatory, in my view, because it puts everyone on an equal basis.

Speaking of these criticisms which are made, like other hon. members in the House I am called sometimes by radio stations for comment. I was called one day a while ago by a hotliner who wanted my views on this new bill. I could tell from the initial questions that the MC of that show wanted critical appraisal, but to his amazement I began to say a few good things about it, before I got to the things which are missing. But he broke in and said "Well, Mr. Knowles, it is obvious that you favour the bill, so may I ask you a question about something else?" If I was not going to attack something brought in by the government of the day, he wanted to change the subject.

Mr. Lalonde: He did not phone me.

Mr. Knowles (Winnipeg North Centre): I should say that I said "Well, just a minute. What I have said, I stand by; but I also want to tell you what is wrong about the bill, mainly because of some things which are not there". However, in saying that I suppose I was saying the same thing I am saying to my friends to the right, that since what we have here is a housekeeping bill which tries to make the rules more fair, let us do our best as members of parliament in all parties to help the people of Canada understand it.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Speaking of details, I warmly welcome—in fact, the minister noted that I applauded him when he was talking about it—the inclusion of clause 7 in this bill. It removes that ridiculous situation under which grandparents, in particular, when receiving the family allowance for grandchildren they might be caring for had that counted as income against their guaranteed income supplement. When I raised this with the minister both in the House and privately, I admitted to him that I did not think there were very many cases, but because it was wrong I contended it should be corrected. I was interested today when he told us that there are about 10,000 such cases. At any rate, I am pleased that this is being corrected.

One detail which bothered me a bit when I was studying the bill line by line and comma by comma was the requirement that only a full year would count toward the number of years against the 40, and that there would be no fractional years. As I thought about that, it struck me that it could be quite unfair for a person at age 65 to have been in the country, say, 31 years and 11 months, when the next person had been here 32 years and 2 days and one gets thirty-one fortieths and the other gets thirty-two fortieths, despite the very slight difference.

I confess that at first thought I would have put it to the minister that there should be some fractionalizing of the years, but then I think I saw the answer to it myself, and I am giving it now so that if it is not right the minister can correct me at some stage. As I see it, there is no compulsion to apply for the pension at the exact time of a person's sixty-fifth birthday. In other words, if at age 65 a person has 34 years and 11 months, he could delay his application for a month until he has the full 35 years and get thirty-five fortieths. Let us go a little closer. If a person has 39 years and 10 or 11 months at age 65, he could wait a month or two and get the full amount.

I do not expect an answer today, but it is the kind of thing we might deal with in committee. I raise this matter mainly to emphasize my contention that what is needed principally with respect to this legislation is a widespread effort to publicize it so that people will understand it, and if what I have said about these full years as against the 40 years is correct, I think there has to be particularly helpful information given to people so that they will not make the mistake of applying a month too soon, when by applying a month later they might have got a pension of a larger size.

I noticed with interest that the guaranteed income supplement and, presumably, assistance under Canada Assistance Plan projects or things related to that will be available to those, when the plan gets into full force, who are here for only 10 or 15 years. I hope that fact will be widely publicized, along with the information about the totalizing of pensions earned in various countries, so that Canadians will realize in the years that lie ahead that in the total picture they are going to do just as well under this plan as they might have done under the old rules, and that many will do a great deal better.

So it all adds up to the fact that many people are going to gain by this legislation. All those Canadians who feel the country has become too cold and that they have to leave it at age 55 or 60 are going to be able to get, if not the full then a partial pension abroad. United Kingdom pensioners and those from other countries who are here and are not getting an escalation of their pensions from back home, will get it here. People here from other countries who have been denied the pensions to which they have contributed and which they have earned in other countries are going to get them if the reciprocal agreements are put into effect. So the total picture, as I say, as provided under this legislation is good and I hope we will be prepared to say so and do our best to explain it to the people of this country.

I said at the start that what this bill does is good, and that therefore we support it, but I have to say that I am thoroughly disappointed in the things that it fails to do. For all the speeches the government can make about the improvements that have been made in pensions for the aged in the last 50 years—and it can be quite a story from the original $20 or from the $75 that it was not many years ago to the $141.34 which is the current basic amount—the fact is that the amounts given to our senior citizens still fall far below the poverty lines that are established by many social welfare bodies.

● (1650)

Talking about escalation keeping the pension up to the cost of living is meaningless to those who did not have enough in the first place, and I regret very much that at a time when the government is bringing in an over-all rewriting of the Old Age Security Act it is not at the same time increasing the basic amount of the pension.

I had a motion last Friday in the private members' hour which was talked out—that is the usual course—suggesting $250 for the basic pension, and I had in mind that the other amounts paid under the supplement could be on top of that. That would be a little closer to figures such as those which the Toronto social welfare people proposed not many weeks ago. At any rate, in my view something that ought to be in this bill is an increase in the basic amount of the pension. I know that these are not the best times to call for increases, when there is so much talk about restraint.

On a more personal note, I want to recount what happened to me around Christmas time. I see the public servants whom I was commending a moment ago—some of them, at any rate—sitting up in the gallery. What they think is their business, but let me say that I received a Christmas card this year from one who used to sit up in the official gallery at times like this. Obviously, I will not name him, but of all the Christmas cards I received, it was one I particularly enjoyed. To paraphrase it, he said, "Thank you, Stanley, for keeping up the battle for improved social security in a hostile period." That is what it is. It is a difficult time in which to press for and expect to make gains in the old age pension legislation.

So many people say that we have done enough for senior citizens, and the government boasts about all the changes that have been made. Despite the hostility of the times, the needs of our senior citizens are still very real, and when we get into committee the minister will find me completely on his side with regard to the housekeeping changes in this bill but he will find me fighting as hard as ever for what I think should be in the bill, namely, a substantial increase in the basic amount.

Also, I wish to express disappointment at the fact that there is nothing in the bill regarding a change in the formula for indexing. It is simply not good enough to have a formula that relates to the general cost of living instead of to the cost of living that applies to senior citizens as such. It is not good enough to have a formula that is always running two, three, four or five months behind. The time when pensioners need an increase in the amount they receive is when the costs are going up, and it does not help them to meet their former costs to get an increase three, four or five months later for the period that lies ahead.

In these days of modern computers, when just about anything can be sorted out, I contend that we should have an indexing system which keeps the levels of pensions on a current basis related to the current cost of living. I would go much further, as I have from the start of this whole question, and contend that pensioners should get their pensions indexed not just in relation to the cost of living but in relation to the standard of living; in relation, shall I say, to the gross national product. If our senior citizens have played their part in helping to make it possible for the country to produce the wealth that it can produce today, and if that process continues to improve after they retire, they should not be condemned just to the level of living at the point of retirement. They should share in the improvements, and I shall be arguing in the committee for improvements in the whole indexing arrangements in the Old Age Security Act.

I have my eye on the clock now and then, Mr. Speaker. I know that my 40 minutes will not be up by five o'clock, but I shall try to complete my remarks by that time so that whoever comes next will know he will have the floor at eight o'clock.

The other thing I have to say—and I will say it as strongly as I was arguing 35 years ago for lowering the age from 70 to 65—is that the time has come to lower the eligible age for old age security and for the Canada Pension Plan to age 60. My friend, the hon. member for Hamilton West, had a good deal to say about the work ethic and about people having the right to work, the right to be involved, and so on. Certainly, we old-timers like my friend, the hon. member for Norfolk-Haldimand (Mr. Knowles), myself and a few others around here who are in the category that was described a while ago, want to be involved; but the people I know who are older and who want to be involved are not asking to get back into the rat-race. They want the kind of security that will enable them to get involved in things that are interesting to them, things in which they can make a contribution.

[Mr. Knowles (Winnipeg North Centre).]

What I am asking for is not compulsory retirement at age 60, not an insistence that everyone must get a pension at that age, but that it should be available to them, and the pensions that should be available are old age security and the Canada Pension Plan. For all the good things that I have said about this bill—because its housekeeping changes are good—I have to be as critical as I can that for all we have said on this matter there is no reference to it in the bill. But you cannot rule me out of order, Mr. Speaker, for talking about something that is not in the bill, because the bill confirms the age of 65 as the minimum age; it confirms the present figure of the basic old age security. But this is the time when both of these features should be changed.

I see my time is almost up; at least it is almost five o'clock. Let me say, however, that in conjunction with the insistence that there be a pension available at the age of 60, the time has come to put that kind of program into place instead of the spouse's allowance. Everything the hon. member for Hamilton West, the hon. member for Kingston and the Islands (Miss MacDonald) and others of us have said about this when it was before us a year and a half ago is still true, that it is most unfair to discriminate against spinsters, widows, bachelors and widowers, that it is unfair to deny them full benefits on the basis of a marital test. Persons who run into it now cannot understand how parliament ever passed such a law.

Mr. Alexander: We tried our best.

Mr. Knowles (Winnipeg North Centre): The time has come to replace that unfair and discriminatory piece of legislation with what would be fair, namely, old age security and the Canada Pension Plan available on a voluntary basis at age 60 to all those who are out of the labour market.

So the minister will have our support for the bill for the good things that it does in straightening out the rules about old age security, but he will have our continuing campaign for the real improvements that need to be made, and in the main those real improvements are a substantial increase in the basic amounts of the pension and a lowering of the age to 60 for all those who are out of the labour market.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Bellechasse (Mr. Lambert)—Social Security—Suggested reduction to 60 of eligible age for retirement to create employment for young people; the hon. member for Provencher (Mr. Epp)—Agriculture—Attitude of government towards marketing board for beef cattle with supply-management powers; the hon. member for Surrey-White Rock

(Mr. Friesen)—Customs—Purchasing of groceries in United States by residents of British Columbia—Government action.

It being five o'clock, the House will proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, private bills and notices of motions.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Turner): Shall all the orders preceding order No. 109 stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): They stand at the request of the government.

* * *

ENERGY

MEASURE RESPECTING DOMESTIC AND INDUSTRIAL USE OF SOLAR ENERGY

Mr. Chas. L. Caccia (Davenport) moved that Bill C-309, respecting the domestic and industrial use of solar energy, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Mr. Speaker, the purpose of the bill before us today is to focus the attention of the House on the urgency of developing the potential of renewable energy resources and to suggest ways in which this can be achieved. But first let me thank, through you, sir, the leaders of the opposition parties for their permission to have this bill come up for debate today, replacing another bill of mine. May I also thank the government for having indicated its disposition, through the Minister of Energy, Mines and Resources (Mr. Gillespie) and the Minister of State for Science and Technology (Mr. Faulkner), to allow this bill to go to committee for further consideration.

● (1700)

When I introduced this bill for the first time in June, 1976, the concept of using the sun to produce power for the immediate benefit of mankind was known only to small groups of Canadians who were intrigued by the idea of harnessing the sun. But now, less than a year later, solar energy has become almost a household word; hardly a week goes by without seeing a newspaper in this country publish an article on the subject. It is clear that Canadians are interested in the solar option and that they are beginning to recognize its advantages as an environmentally safe and clean energy source.

As to the potential of solar energy, a number of estimates have been made. According to page 104 of the report entitled "An Energy Strategy For Canada", issued last year by the Minister of Energy, Mines and Resources, by 1990 renewable resources could supply up to 6 per cent of Canada's primary energy requirements if backed by a vigorous development

program. According to the Middleton report, also published last year, by the year 2020, close to 20 per cent of Canada's energy needs may be supplied by renewable resources. I believe that decisions taken this year by the government will determine how much of this potential will be realized.

At a time when energy shortages and the exhaustion of non-renewable resources are predicted, these estimates and forecasts tell us that the attention of mankind must turn to the alternative of renewable sources of energy, such as solar energy which includes wind, tidal, biomass and geothermal. For the sake of future generations, solar energy offers an option we must explore and develop to the fullest. By developing the potential offered by the solar option, for example, we may be able to reduce our dependence on nuclear power with its inherent and dangerous problem of the disposal of spent fuel. Reducing our dependence on nuclear power would be an important step, particularly because we know that nuclear power stations are likely to proliferate throughout the world in decades to come.

The development of solar energy is no longer a "pie in the sky" notion. At the present time we have in Canada some 35 houses partially or completely heated by solar energy which incorporate either air or water storage systems. Funds have been invested from both the public and private sector. The federal government, under the auspices of the Minister of Energy, Mines and Resources and through the National Research Council, is currently sponsoring 21 solar-heated buildings, 12 of which utilize water storage. In the private sector, 14 houses have been built, including six which use water storage. These are by no means complete figures, but they show that Canadians already have become actively involved in developing and demonstrating solar energy technology. These efforts, of course, need to be taken a step further.

Bill C-309 proposes the creation of an institute—if you like, an agency—that would pursue a number of tasks aimed at the fullest exploitation of the solar option. The agency which would bring under one roof all responsibilities pertaining to the research and development of solar energy technology, as was done for nuclear energy a few decades ago, would (a) undertake research leading to the development of solar energy technology for domestic and industrial purposes. At present, responsibility for the renewable energy program is divided among the Department of Science and Technology, through the National Research Council, the Department of Energy, Mines and Resources, the Department of Fisheries and the Environment, and the Department of Agriculture. Then (b), it would actively stimulate and assist in the establishment of a Canadian industry producing solar energy equipment through programs like the new Enterprise Development Program sponsored by the Department of Industry, Trade and Commerce. There is a good prospect that thousands of new jobs will be created if we undertake the development of solar technology, not only suitable to the Canadian climate but designed for use by developing countries as well. Then (c), it would inform the public about the uses of solar energy and encourage public

participation in energy conservation; and (d), help developing nations interested in developing their own solar technology.

The establishment of an institution of solar application would help to encourage the development and utilization of solar energy in this country and abroad, but we must also take a number of other steps aimed at giving increased momentum to the development of the solar option in Canada. Here are the steps I would urge the federal government to take. First, reallocate energy research and development funds to stimulated the development of renewable resources, because close to 70 per cent of energy research and development funds are currently devoted to nuclear energy and only about 8 per cent to solar energy research.

It is important to note that the United States, in one fiscal year alone, is spending some $280 million for research and development in solar energy. But we must not be content to sit back and let the United States do the work for us. Solar energy technology suited to the Canadian climate is a Canadian concern. The development of a solar industry would create thousands of jobs in this country in years to come as a result of our efforts.

Second, I would urge the government to increase the development, within the research and development, of solar heating systems utilizing crushed stone rather than water storage. This would be less expensive and more within reach of the average home owner. Third, I would urge the government immediately to begin to define rights to light and wind—the legal ownership of the sun—and prepare model legislation which would guarantee the rights of solar consumers and investors. The assurance in law that due access rights to sunlight and wind are safeguarded is what is needed at the present time.

Fourth, I would urge the government to provide in the next budget tax credits for Canadians who retrofit or build new houses which include solar heating or wind energy equipment. Fifth, I would urge the government to establish next summer an employment program for students who have advanced architectural and engineering training to develop innovative uses of solar technology suited to the Canadian climate. Sixth, I would urge the government to organize yearly a national award competition sponsored by the Minister of Energy, Mines and Resources to stimulate the interest of the private sector in solar energy and to recognize Canadians who make an outstanding contribution to the development and utilization of solar technology in the broadest meaning of the term.

Seventh, I would urge the government to build in the national capital region a solar-heated house affordable by the average Canadian which would demonstrate the viability of solar heating to the millions of visitors who come to Ottawa each year. Eighth, I would urge the government to encourage Central Mortgage and Housing Corporation to accelerate its development and demonstration of the mini-utility concept for urban centres. Finally, I would urge the government to participate actively in the International Energy Agency—IEA—in Paris in efforts to arrive at a solar energy technology which will benefit developing nations.

Because of the nature of our country, any leadership given by the federal government—and here I want to commend the Minister of Finance (Mr. Macdonald) for introducing in the last budget the exemption from federal sales tax for solar and energy conserving items—must be matched by provincial governments, by hydro commissions, by municipalities, by architects, builders and developers.

The following are recommendations I would urge these other jurisdictions to consider: hydro commissions could introduce hydro rates that would reward the careful consumer. At present, we have the absurd situation whereby the more energy one consumes, the lower the cost charged per kilowatt hour. Further, hydro commissions could make available lower hydro rates to homes which have solar heating systems installed. Provincial governments could follow the example set by the federal government and remove provincial taxes for the sale of solar and energy-conserving equipment. Municipalities could provide, for instance, a ten-year tax reduction on properties where there is a solar heated home. Large municipalities, such as Montreal, Toronto and Vancouver, could pass a bylaw requiring that building plans should be approved according to the basic guidelines of energy conservation. Finally, builders and developers could co-operate in this common venture by designing homes which would have one or more of the following features: orientation with maximum exposure to the sun; optimal window orientation to south and southwest and minimal orientation to the north; insulation according to the highest energy conservation standards; and incorporation of solar heating systems.

● (1710)

Before concluding, may I say that since introducing this bill last June I have been encouraged by the many letters received from Canadians across the country. I am also encouraged by the fact that the government is well disposed to having this bill sent to committee, and to this end I today seek the co-operation of hon. members of this House.

In conclusion, Mr. Speaker, let me quote the inscription visitors see at the entrance of the Ark, the solar heated and operated building in Prince Edward Island inaugurated last fall by our Prime Minister (Mr. Trudeau). It reads:

The Ark—an early exploration in weaving together the sun, winds, biology and architecture on behalf of humanity.

What was early exploration yesterday is already practical application today. We are witnessing in Prince Edward Island and across the country the shaping of a new facet in the ancient, many-sided relationship between man and nature for the betterment of mankind and with full respect to the environment.

Mr. Frank Maine (Wellington): Mr. Speaker, first, may I express my pleasure that Bill C-309 is before the House for debate. The hon. member for Davenport (Mr. Caccia) is proposing that efforts of the federal government toward the

development and application of renewable energy resources be carried out and co-ordinated by one agency, an institute of solar energy application. The job of the institute would be to guide research and development in the solar energy field, to encourage the growth in Canadian industry producing solar energy equipment and parts, and to increase public awareness of the uses of solar energy.

In days gone by this would probably have been considered a unique debate, a debate on the subject of a Canadian use and development of solar energy. As the former parliamentary secretary to the Minister of Energy, Mines and Resources, the hon. member for Algoma (Mr. Foster), said:

> Our own time has been caught up with its own ironies. Recent political developments have abruptly fractured the industrialized world's petroleum supply. Gaping cracks have been uncovered in the energy systems of most countries. We have been forced to realize how single-minded was our energy planning.

Rising costs of conventional energy production necessitates an interest in alternative, renewable energy technologies. We must provide the framework to determine which sources, technologies and applications may be appropriate in this country and when and under what conditions they may be technically and economically viable. Principal sources of renewable energy, solar radiation, wind and biomass, as well as waves and thermal gradients must be reviewed to establish in general terms their significance in the Canadian context. The technical characteristics, efficiency, costs and impact, must be delineated as an information base upon which to build an assessment potential.

Canada can claim a world leadership role in the following areas: longer term thermal storage, solar-powered air-conditioning, vertical axis wind generators, honeycomb solar collectors, and appropriate technology for developing countries. This suggests that significant opportunities exist in Canada for industrial development to serve indigenous and foreign markets.

We are aware of the problem and we must decide to do something about it. The potential of new energy technologies, for instance, cannot be neglected. If, as some predict, solar energy will provide about 1 per cent of our total energy supply in 15 years, there could be up to $11 billion for the sectors involved. In the long run, the use of renewable energy resources is inevitable. Studies for the Science Council of Canada indicate that by the year 2000 renewable energy will contribute between 5 per cent and 10 per cent of Canada's energy requirements. If one includes hydroelectricity, which is in itself a renewable resource, this rises to 20 per cent. By 2025 it will probably have increased to some 30 per cent. Our only real choice is whether these technologies will be Canadian or imported. Peter Middleton, for example, in his report entitled "Canada's Renewable Energy Resources: An Assessment of Potential", has calculated that over a 25-year period starting in 1979 the total cost of heating a house with a solar system providing 70 per cent of space heating requirements would only be 13 per cent higher than an all oil-heated home, but some 30 per cent less than a totally electrically heated home. His assumption takes into account an annual inflation rate of 5 per cent, mortgage costs, and a 5 per cent annual rise in oil and electricity prices. Considering that oil has risen by 40 per cent in the last two years, his assumptions are conservative and suggest that solar energy may soon cross the threshold of economic competitiveness.

The establishment of the solar energy application act will provide a base from which to cast about for new opportunities to fill a real national need for the technologies and systems that will eventually permit us to enjoy stability and a balance in energy supply. Renewable energies will be an important component of the next cycle of industrial development. Canada has either missed previous opportunities or allowed markets to be served by subsidiaries of multinational corporations primarily headquartered in the United States. We are in a position now to determine how much industrial activity should be located in Canada and to preserve and protect ownership and technological sovereignty.

We must consider that one of our most basic needs and largest undertakings is energy. The objective of current energy policy in the industrialized countries has been characterized as "strength through exhaustion". We must move away from depleting our capital of non-renewable reserves toward devising ways to live off the income of the sustained energy flows from sunshine, wind, the tides and the waves. Canada is not alone in the world. We do not have the expertise developed here, but we have the opportunity to develop it so that those who have been successful in Canada do not find it necessary to import certain of their requirements.

I say this as one who is strongly of the belief that a focal point should be established to encourage and promote the establishment in Canada of an intensive research capability leading to the development of a technology that will permit the use of solar energy for domestic and industrial purposes as a viable alternative to non-renewable resources. I therefore look forward to this bill going to committee.

I would like to conclude by mentioning that the scientific community recognizes the importance of the energy crisis and has set about to make sure that parliamentarians are aware of the scientific facts in this and other important scientific areas. The vehicle for this communication is the Parliamentary and Scientific Committee whose second meeting next Tuesday, February 15, will be dealing in detail with the question of renewable energy resources as it applies to Canada. I urge all hon. members to attend this meeting in order to update their knowledge on this most important question which will so seriously affect all mankind.

Mr. J. R. Ellis (Hastings): Mr. Speaker, the private member's bill standing in the name of the hon. member for Davenport (Mr. Caccia) is commendable in many ways. I hope it will not suffer the fate of most other private members' bills and be talked out. About ten minutes before the hon. member's bill was called this afternoon I decided to look at its subject matter and then, without the opportunity to prepare a speech, decided to speak on it. I have studied alternate forms

of energy and will propose, before my remarks are concluded, that this bill should be sent to committee. I have some things I would like to say about it.

● (1720)

The hon. member named the institute of solar energy application. The hon. member for Wellington (Mr. Maine) went quite a bit further. I do not think there is any reason for our restricting the institute, if that is what it is to be, strictly to solar energy. There is need for a good deal of research into the many other forms of energy which the hon. member for Wellington mentioned. They include tides, thermal, wind and perhaps others that do not come to mind. During the serious storm in Prince Edward county a week ago there was enough wind, if properly applied, to melt all the snow. The winds were 70 kilometres per hour. If that force had been properly harnessed, there would not have been that problem.

I have to ask the hon. member for Davenport: Why a new institute? He listed five or six agencies, I can recall a few that are now involved in looking at solar energy. I have a very strong suspicion that what we are getting into here might be just one more agency, as happened with Information Canada. When Information Canada was formed, it did not in any way reduce the public relations departments of any of the branches of government. In fact, there was just one more branch disseminating information, and not always in the most economical way.

I wonder why we need another institute. We already have the National Research Council. I have dealt with that institution in a number of capacities over the years. For a country as small as Canada, that council is exceptionally intelligent, well formed and capable of doing the job that is needed here. The one thing they frequently do not have is the financial support of the government. The last clause of the hon. member's bill reads:

> Nothing in this act shall be construed so as to require an appropriation of public revenue or an expenditure—

This is a matter of the utmost priority, and we should not be afraid of spending some funds on it. If I had the time—and I do not, because some hon. members opposite are anxious to contribute to the debate—I would list all the things the government has spent money on which did not produce anything worth while. Surely, on a matter as important as this, we could spend a fair bit of money. The money that went into the *Bonaventure* would accomplish a lot with regard to solar energy. I had better not get carried away and list all the things on which the government has wasted money which would have been better spent on this project. Therefore, research without expenditure does not make sense: we should spend money on it.

What exactly does the hon. member for Davenport have in mind with this institute? There are a number of things that it or the National Research Council might do. One is to provide a forum for ideas. In the reading I have done, I have found all kinds of ideas for alternate forms of energy. I was recently at a gathering in the city of Belleville. A gentleman there indicated to me that he had what he felt was the finest idea to produce solar energy that anyone could think of. He wanted to know whether the government could provide him with some help to develop it. I had to tell him that no agency of government would give him any help to develop that sort of thing. That is perhaps not too bad because in a country of free enterprise it should be incumbent upon an inventor to get his first-off copy ready and ask for a patent.

If the institute suggested by the hon. member, or the National Research Council, were to function properly, this could provide a forum whereby this man could come to Ottawa, Toronto, Montreal, or wherever, to meet people with considerable knowledge in the field. He could discuss his idea in complete confidence. If he had something different, or better, they would assist him to patent it, rather than steal his idea. They could encourage him, or perhaps show him that his idea had been tried before and found wanting. It is very difficult in this day and age to find a brand new idea, one that has not been thought of before. If this institute were funded, it could assist to the production stage, if necessary, of an invention that was worth while.

I was intrigued to read in this morning's *Globe and Mail* that four Australian physicists claim a solar energy breakthrough. They claim that they can collect over 2½ times and deliver 2 times the temperature of the collector plates. That is indeed a remarkable breakthrough. It is something for which anyone interested in solar energy has been looking. In a northern climate such as ours, with the conventional solar plates in a field or on the roof of a house you can collect temperatures of up to 75 degrees to 100 degrees Celsius. However, to produce and deliver heat beyond that point to where it does a reasonable job is not an easy task. That is something these physicists claim they can do; they claim they can deliver heat energy up to 250 degrees Celsius. With that kind of delivery they are capable of generating other forms of energy such as electricity. They could heat major commercial or industrial buildings, as well as residential. With that kind of energy they would be capable of producing enough heat to allow for storage to carry through cloud or non-sun cycles.

Perhaps this institute, or a branch of the National Research Council, might discuss with their colleagues in Australia the method they have come up with. As I have said, it could be a forum for ideas that would ultimately come up with something we could use. The hon. member's bill reads in part:

> —encourage and promote the establishment in Canada of an industry producing solar energy equipment and parts.

To a free enterprise Conservative, that sounds a little bit socialistic. I would prefer to think that the institute might bring the material to the design stage, patent it so that returns can be achieved for those who have created the design, and then leave it to private industry to take up the cudgel and do the job I know they can do. There are all kinds of innovative ideas. I recently talked with a firm in Georgia that is producing a black plastic pipe the interior surface of which is over twice the exterior surface. Its unique design permits the retention of the accumulated heat of the water in the pipe at a much greater rate than would a normal plastic pipe. This is

something which has not yet been made in Canada but they have been using it to heat swimming pools from California to Florida, and up into the central states as well. It is a development the institute should examine.

• (1730)

The hon. member for Davenport mentioned the problems associated with nuclear energy. I am certainly deeply involved in that subject at the present moment. Nuclear energy has been an accepted alternative to fossil fuel and hydro energy, but the waste disposal problems arising from its use are, of course, tremendous. In recent weeks there has been a furore in the central part of my riding because Atomic Energy of Canada said they wanted to dispose of, or store, depending on which term is used, the waste from the nuclear energy generating plant in Ontario at a point near Mount Moriah in the central part of my constituency. The disturbance caused among the people who live in that area was profound. The scientists who advised such a move say they cannot understand why anyone should be so disturbed. Sitting classically in their laboratories they do not appreciate the concern, the understandable concern, felt by these people—their fear of what nuclear energy can do.

The fact is that this waste has to be stored for between 100,000 and 200,000 years. This is no insignificant period when one reflects that civilization today is in the year 1977 of our Lord, and that we can only look back some 3,000 or 4,000 years before that. When we are talking about 100,000 or 150,000 years we are dealing with a time span far beyond the conception of the average individual.

It is time we began to look into alternative forms of energy. Had we not started in the nuclear energy field we would not be facing these problems today. We would not have built on the waterfront of Lake Ontario a generating plant, 50 miles from Toronto, which, if anything was damaged, could destroy a big chunk of our civilization. These are the fears our people have, and I share those fears. I am hoping to pursue this subject in a great deal more depth before I agree, if indeed I have an opportunity to agree or disagree, to the disposal of nuclear waste in Hastings county. I intend to take a good long look at this before I go much further.

There are many other developments taking place. There are the new designs in heat pumps. Now there are heat pumps that go from air to water and from water to air. This ties in with the collection of solar energy and, perhaps, energy from the wind which would give us not only the heat but the cooling we have come to expect in summertime. The same pump would serve for both operations using amounts of energy considerably less than we use now.

I have discussed the problems as I see them. I will sit down now and remind hon. members across the way that this will be the third time this session I have risen in this Chamber and agreed to allow a private member's bill to go through. I want to make that point clearly because it is something which does not happen often. It is a little humorous to find that in one case it was the government side which decided to talk a bill out even though the opposition was agreeable to letting it go through. Although I disagree with some of the proposals in the bill before us I believe the subject matter should go to the committee, at which stage I shall take a further part in the discussion. My colleagues may well be bringing in private members' bills during the balance of the session and we look forward to the same kind of reciprocal courtesy from those on the benches opposite.

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I wish to thank the hon. member for Hastings (Mr. Ellis) for suggesting that the bill should be referred to committee. We on this side have the same intention, which is why I shall be brief in my remarks about the bill introduced by the hon. member for Davenport (Mr. Caccia).

[*Translation*]

The bill, Mr. Speaker, is based on the premise which seemed quite valid to the Department of Energy, Mines and Resources because some time ago the department recognized the significance of soft energy sources and entrusted with a section of the National Research Council a rather large budget to enable it to carry out some research on the so-called soft energy sources in the field of natural resources.

As indicated by the two previous speakers, the members for Wellington (Mr. Maine) and for Hastings (Mr. Ellis), I have the same reservation about excluding in Bill C-209 other energy sources, such as waves, tides, wind, geothermic power and so on. It was perhaps the idea of the sponsor of the bill to include other energy sources and to try to avoid that increasing dependency on an energy source which is not generally accepted and my colleague, the member for Hastings, referred once again to the facilities near his constituency in Pickering, Ontario.

Nor is it clear either, Mr. Speaker, that we can entrust to a Crown corporation the care of doing research in that field, or of setting up a corporation to develop nuclear energy. It might be that a branch of the National Research Council could more appropriately develop that energy and pursue research to that end.

It seems to me, Mr. Speaker, that another aspect of the problem has yet to be mentioned. I listened closely to the remarks of my colleague for the riding of Davenport (Mr. Caccia). Now, that right to the sun has not been defined, has not been asserted, nor is it protected. For instance, if costly facilities are erected to channel solar energy and transform it into electriciy, if that right to the sun is jeopardized by the construction neighbouring buildings whose height exceeds that of the building collecting solar energy, then we will need an act to define solar energy, to proclaim the right to the sun and protect the owner of the first building so that he can heat or light it with solar energy; otherwise, his rights be hampered by the other building.

Like those who rose before me, Mr. Speaker, I too agree that this bill should be sent to the Committee on National Resources and Public Works rather than to the Committee on Miscellaneous Estimates or any other which may have been mentioned. Once again I congratulate the hon. member for Davenport on his excellent initiative in introducing this bill and I trust, like my colleague for Hastings (Mr. Ellis), that the next time a private bill is sponsored by an opposition party, it will also be deferred to a committee.

● (1740)

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we think that the idea contained in the bill presented by the hon. member for Davenport (Mr. Caccia) is a good one. The reason we are not speaking on it is that we do not want to see it talked out. We support the bill.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Davenport (Mr. Caccia), seconded by the hon. member for Labelle (Mr. Dupras), moves that Bill C-309, an act respecting the domestic and industrial use of solar energy, be now read the second time and referred to the Standing Committee on Miscellaneous Estimates. Is it the pleasure of the House to adopt the said motion?

Mr. Caccia: On a point of order, Mr. Speaker, as the parliamentary secretary mentioned in his brief remarks a few moments ago, it might seem to be appropriate, and there might be a general disposition, to refer the bill to the Standing Committee on National Resources and Public Works.

The Acting Speaker (Mr. Turner): Is there unanimous consent to change the committee and to refer the bill to the Standing Committee on National Resources and Public Works?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on National Resources and Public Works.

Some hon. Members: Six o'clock.

The Acting Speaker (Mr. Turner): Order. The hour appointed for the consideration of private members' business having expired, I do now leave the chair till eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*Translation*]

OLD AGE SECURITY ACT

AMENDMENT RESPECTING PENSION PAYABLE TO PERSONS 65 YEARS OF AGE AND OVER CONTINGENT UPON RESIDENCE IN CANADA

The House resumed consideration of the motion of Mr. Lalonde that Bill C-35, an act to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Eudore Allard (Rimouski): Mr. Speaker, first I would like to thank the minister for bringing in various amendments to Bill C-35. Those amendments are certainly likely to eliminate many shortcomings depriving senior citizens. I dare hope that the minister will continue to bring in amendments to eliminate other shortcomings that also exist for other categories of people under the age of 65.

So it gives me great pleasure, Mr. Speaker, to participate in this debate, as I said earlier, the subject of which is Bill C-35 entitled "an Act to amend the Old Age Security Act" and to make my most sincere contribution to this important question affecting closely a very large number of Canadians.

As some of my colleagues I am convinced in advance that the Minister of National Health and Welfare (Mr. Lalonde), who is in charge of the status of women, intends to bring about through the passage of this bill major improvements to the old age security program. Among those improvements are the changes to the provisions dealing with the period of residence in Canada and prorata pension payments. In addition, one can notice, Mr. Speaker, that the bill to amend the Old Age Security Act contains a provision dealing mainly with the inclusion of the old age security program in international agreements dealing with social security.

● (2010)

This provision will allow many people to keep their social security credits if they decide to move to one country rather than another.

I agree in principle with the Minister of National Health and Welfare (Mr. Lalonde) who said the following, which I hope you will allow me to quote, Mr. Speaker:

> The aim of these amendments is to make the Old Age Security Plan fairer, to ensure coherence among the three levels of the Canadian retirement income system (that is, old age security, the Canada and the Quebec Pension Plans, and private pension plans) and to facilitate international agreements.

There is no doubt that the provisions contained in this bill will bring great advantages to some people since these proposals will first provide more equality among recipients. However, we of the Social Credit Party of Canada would have wished the government to introduce in this bill or at least to reconsider seriously and responsibly the spouse's allowance mentioned in this bill, which was introduced by the Minister of National Health and Welfare on January 31, and to replace it

by the payment of old age security pensions to everyone between 60 and 65 who is no longer in the labour force, whatever his marital status or sex. Mr. Speaker, in a study published in the *Canadian Review of Sociology and Anthropology* of August 1976, we could read on page 321, and I quote:

> The decrease in fecundity which has characterized the industrialized world in this century is now causing those countries in general, and Canada in particular, to face a reality with many consequences: An aging population. In Canada, this phenomenon is recent, but it is on the increase, and this tendency will continue indefinitely: The percentage of the population 65 and over could go from 7.6 percent in 1961 to 11.8 percent in 2001. Present mortality rates mean not only that a greater proportion of the population now reaches an advanced age, but also that these people survive longer.

Indeed, people are living longer than ever.

> . . . Moreover, the equality of sexes as concerns mortality means that the greater number of aged people is characterized by an unbalance favouring women: thus, the deficit of old men could reach 700,000 in the year 2001.

And further on, Mr. Speaker:

> The financial situation of the elderly is precarious: the government old age pension offers an income of only $1,600 for a single person and $3,000 for a couple, and yet this pension represents the sole income for about half of the men and three-quarters of the women. Finally, we cannot neglect the added burden imposed on the economic life of society by such an increase in the number of older persons.

Mr. Speaker, as we can plainly see the situation in Canada is very alarming. In any case, as the final purpose of our economy is first and foremost to satisfy the needs of the population, we must get down to work and do our best to find new remedies, new ideas, new incentives for our economy to insure the happiness and well being of all Canadians. Once again, we can plainly see that the time has come for us to study more closely not only the whole system of social security as it pertains to underprivileged citizens such as the elderly, but also with regards to families who, even nowadays, especially when we have a hard time making ends meet, must make do with the salary of a single person.

On various occasions in the House, I have suggested to the government, which is introducing this bill today, to increase the old age security pension not only for single persons but for married men. Like many of my colleagues, I have received over the last few years many letters from persons between the ages of 60 and 65 who want me to defend their case before the federal government, which I have done as often as possible, in order to bring pressure to bear on the government to lower to 60 the age requirement for the old age security pension.

If I remember right, this government indeed promised Canadians that as of October 1975, that is 18 months ago, spouses of OAS pensioners would receive benefits between ages 60 and 65. Unfortunately and to my most sincere regret, the government once more did not adhere in any way to their commitment. They simply failed to make everyone eligible for OAS pension at retirement age.

Mr. Speaker, every day there is the realization that pensioners do not have the income needed to live decently. Sometimes they even have to do without the basic necessities of life. To illustrate, let me refer to the case of married women below 60 who suffered some misfortune and have no source of income. Clearly theirs is not an easy kind of situation.

Here is another example of the alarming circumstances facing elderly persons. Quoting from a letter from one Mr. Tremblay from Quebec City, which appeared in *Le Soleil* of January 14 last: "As of January 1, 1975, anyone aged 65 or over and living anywhere in Canada can receive the Canadian pension and go on working, except in Quebec."

"Because in La belle province an individual may get his pension provided he stops working. If I earn more than $100 a month, my pension is reduced 50 cents per dollar earned over and above that amount. For the privilege of being a Quebecer, one must therefore pay a tax on one's gains, a tax on one's pension, and suffer a 50 per cent reduction on that pension. What an incentive!" The letter went on: "Such discrimination that would be judged intolerable coming from a private employer or corporation is not any fairer when extended by the government." Mr. Speaker, that reader asks for only one thing, that the Quebec government amend such a restriction in the pensions legislation to give the people one more reason to feel as happy in Quebec as elsewhere in Canada.

This afternoon the hon. member for Winnipeg North Centre (Mr. Knowles) referred to the war veterans widows who should receive benefits commensurate with their husbands' compensation where the disability pension was below 48 per cent, as suggested by Dr. Hermann in his report. I agree with him that the former-prisoners of war were greatly heartened by the passing of Bill C-92, providing them with some compensation. The government should amend the act so that widows would be paid an amount proportionate to the compensation paid their husbands where the disability pension was below 48 per cent. Because if full compensation starts at 48 per cent, those having 47 per cent disability, a 1 per cent difference, get nothing. This in my view is unfair and should be amended with the utmost priority.

Before concluding, I would like to quote from the *Canadian Review of Sociology and Anthropology* of August 1976, to which I already referred to: "By the way, what do people do when they go on working after age 65? In the absence of published statistics from the 1971 census on that subject, we resorted to fiscal statistics for 1972 on those who filed an income tax return in 1970: almost 65 per cent of males and 40 per cent of females aged 65 or over. The majority of them are retired civil servants or others; most of those who have no other income than their government pension have not filed any income tax return since this pension is close to the minimum taxable income; next come investors and real estate owners, relatively much more numerous among women than men.

Therefore, it is quite clear that older people depend greatly on government assistance for a living. Still in the same book, one can read a little further: "If we were to accept the reasonable suggestion that the current activity rates after age 65 would be shifted by five years, lowering retirement age from 65 to 60 would result in opening more than 200,000 jobs

now occupied by men and 87,000 occupied by women. This work force represented at the 1971 census nearly half of the male unemployed and nearly a third of the female unemployed."

I admit these figures should not be interpreted indiscriminately because the jobs which would become available through this process would be of a special nature, considering that they were held by older people. However, I think it would be in our interest and in the interest of the whole Canadian people to lower retirement age to 60.

As we are all bound to try to improve the programs, I shall venture to make a last remark in this brief speech, which hopefully will be considered very seriously. It is a controversial issue and I am confident that the minister will admit this. I refer to the spouse's allowance under its present form. Since 1972, when I first entered the House of Commons, I have had to deal with various cases in which the retired spouse died less than twelve months before the normal retirement age of the recipient of the spouse's allowance. Thus, the person concerned, apart from the misfortune affecting her, was all of a sudden deprived of any income because the allowance was automatically discontinued. I admit that the related problems were only temporary in some cases. This, of course, depends on what is left to the succession. But there are also cases where the recipient has to call upon provincial welfare. That is why I think we should possibly improve our income security plan while at the same time providing the anticipated basic pension which, in the final analysis, would be a first step towards optional retirement at the age of 60.

Therefore, although I agree that there is some improvement, I want to point out that the minister has just forgotten those Canadian citizens between 60 and 65 who do not have the means or the health to fend for themselves and who are silently suffering the total indifference of this government towards them. I will take the opportunity I have here tonight to say a few words about some cases of flagrant injustice, concerning particularly the widow of a pensioner who retired at 65. The spouse is suddenly without any income after having received a full allowance during a certain time. A veteran whose incapacity has been established at 48 per cent gets a full pension, but if his incapacity is only 1 per cent less, he gets nothing. That is a case of injustice which should be rectified as soon as possible. The situation is the same for all Canadian widows and people 60 to 65 years old who are suddenly deprived of all sources of income when their spouse dies. All these people should receive a pension after an investigation proving that they are eligible for the old age security plan.

If we in the Social Credit Party of Canada continually ask for and request pensions at age 60, it is because we often meet many people who constantly come to grips with this kind of problems peculiar to the elderly, those people between 60 and 65 years.

So, Mr. Speaker, we should not forget that people aged 65 have already given to their country from forty to forty-five years of hard work which were often very difficult. They also contributed to the expansion and development of Canada. We could, therefore, easily compare them to veterans. Our war veterans went overseas to fight for our liberties and our workers stayed here to defend our rights, to clear off the land and win from it the resources necessary for the development of our country.

Given all the automation we have these days, it is not easy for such people to find employment corresponding to their abilities. Therefore, 95 per cent of them are without work and without resources. Unfortunately, under the circumstances they have to go from one office to another and suffer the humiliation of investigations and other red tape before being told that they might receive a few crumbs within the next few months.

This is, Mr. Speaker, the situation of those Canadians aged 60 to 65 who certainly deserve more consideration from a government which boasts of advocating a "just society". If it were still seeking that just society Bill C-35 should have been the ideal opportunity to give justice to the veterans' widows and to all Canadians from 60 to 65 years of age.

● (2020)

[*English*]

Mr. F. A. Philbrook (Halton): Mr. Speaker, I shall address myself only briefly to Bill C-35 because I feel it speaks well for itself.

Mr. Baker (Grenville-Carleton): Hear, hear!

Mr. Philbrook: I see the hon. member for Grenville-Carleton (Mr. Baker) is going to behave a little better tonight, Mr. Speaker.

On Friday last we had an opportunity to debate the age old proposal championed by the hon. member for Winnipeg North Centre (Mr. Knowles)—a young friend of ours who is not always easy to convince—to lower the age eligibility requirements and increase the benefits of our various pension schemes. On that occasion I outlined some of the reasons why I think Canadians have reason to be rather proud of our record of providing financial assistance to those truly in need of a pension. However, the story does not end with what has been done so far.

Basic inequities have arisen and shall continue to arise, as circumstances change. It is to these problems, therefore, that I believe our social security legislation should be addressed. Bill C-35, proposing some timely amendments to the Old Age Security Act, provides us with an excellent example of how the government wishes to incorporate contemporary needs into a fundamentally sound principle.

Under the present structure, the old age security payment is an "either/or" proposition; either one fulfils the stated age and residency requirements and receives a flat pension, or one does not, in which case he or she receives nothing. The underlying principle is that one's pension should reflect the contribution made to Canadian society during his or her active years.

This existing scheme—and I should like to define it in order to prelude what I am going to say afterwards—sets out three ways in which the residency requirement can be attained: (a) by residing in Canada for 40 years after age 18; (b), by residing in Canada during ten consecutive years from age 55 onward; or (c), by combining elements of each of these whereby any three years in Canada between 18 and 55 can be counted toward each year of absence after 55, provided the applicant resides in Canada during the year before pension payments begin.

In 1951, when the Old Age Security Act was first introduced, these requirements seemed adequate. Today, however, circumstances have changed more drastically than perhaps even the opposition would have dared to imagine at the time. Mobility and migration have become such common phenomena that today we have had to take a new look at the residency requirements of the act.

As I have said, the fundamental principle underlying our pension policy has been to ensure that all citizens enjoy the benefits of their contribution to society during their productive years. What is required today therefore is provision in the application of this principle for the increased mobility of individuals. It is no longer true, or at least as true as in 1951, that people necessarily spend their retirement years in the same country in which they contributed during their productive years. It is this fact of modern day life which is being accounted for in the proposed amendments to old age security legislation which we are debating here.

As a specific example, Mr. Speaker, the minister has pointed out that a large number of people, approximately one half million, are being disadvantaged by the legislation as it now stands. This figure is indeed impressive by itself, but it is nevertheless nothing more than an impersonal statistic. I should like to take this occasion to describe in greater detail the human side of this problem.

I have been corresponding regularly, ever since I was elected to this House two and a half years ago, with a couple from my riding who immigrated to Canada from Great Britain after their retirement—in fact several couples. They are, I believe, representative of the situation as it exists now.

When this particular couple left Britain to be near their family, their pension was frozen at the prevailing rate of the time. Although this, plus their life savings, appeared ample at the time of departure, the rising cost of living and the relative decline of the pound took care of that. Today, this couple receives a combined total of approximately $47 Canadian dollars per month as pension. This obviously is nowhere near enough to sustain an elderly couple—I sometimes wonder how they manage—much less allow them to enjoy their retirement in comfort.

● (2030)

What is the problem then? Why should they be subjected to such abject poverty after having contributed to the general prosperity of their society? And they are from Britain, no less. The reason is that the present legislation does not allow for reciprocal agreements with other countries with respect to the transfer of pension credits across international boundaries. In the cases of both Canada and Britain, each has followed a common policy of not paying pension increases unconditionally to pensioners living abroad, on the grounds that our social security systems are designed primarily for the people in their respective countries and that benefits are related to the specific social policy and economic conditions of each. When benefit rates increase, the cost of increasing pension payments falls primarily on contributors and employers in the respective countries. Under existing arrangements, therefore, these people could really be required to bear the cost of increases for pensioners who had gone to live permanently in another country. Only through a reciprocal agreement, therefore, whereby each country agrees to pay pension increases to its pensioners living in the other can this position be modified and those affected be helped. Bill C-35 paves the way to do this.

Let me say a word about the provisions of reciprocal arrangements. The case described a moment ago is typical, yet it reveals only one aspect of the various reciprocal arrangements to be encompassed in the legislation. Most basically, the removal of the all or nothing structure of our present pension system, and provision for the transfer of pension credits between countries will, in addition to the situation just described, safeguard the rights of Canadians who emigrate while in the process of acquiring their social security benefits. Effectively, what we shall be doing therefore, is co-ordinating our social security program with those of other countries. This means that current inequities, such as the duplicate social security coverage which is now required of most U.S. and Canadian citizens working in each other's countries, can be eliminated.

Moreover, under the proposed amendments pensioners would be allowed to claim benefits for contributions made to one country's social security program as periods of residence or contributions in the other. This would be done in conjunction with prorating arrangements worked out between Canada and each of the contracting countries, whereby each fraction of benefits payable under the legislation of each country is paid directly to the beneficiary by the particular country. Thus, the mechanism now exists; once it is put in place, hopefully as soon as possible, we can begin to provide all the benefits to which Canadian pensioners and others, most immediately those of Britain, the U.S. and Italy, are entitled.

What we must bear in mind at all times, however, is that we hold a dual obligation to the citizens of this country and, indeed of the world over. Every individual should be allowed to reap the benefits of his work. At the same time, every individual must be protected from supporting others who are not entitled to unearned benefits. In the context of old age security, therefore, we have had to overcome the intervening factor, personal mobility, which has disturbed the delicate balance between these two countervailing responsibilities. Through the arrangements provided for in this legislation, native Canadians and immigrants alike will be able to derive greater pension benefits while, at the same time, the cost to Canadians should not increase significantly.

The exchange of benefits between countries will depend on such factors as the number of beneficiaries from any one country who qualify; their age and extent of their contribution

to the labour force; the immigrant population remaining in Canada; and the particular programs included in each of the individual agreements.

Since on balance more people immigrate to Canada than emigrate from here, more expenditures are likely to be paid into Canada than paid from here to other countries. Thus, both requirements are fulfilled and the balance is restored. At any rate, each country helps to look after its own better than in the past.

I congratulate the minister on bringing forward this legislation. I have enjoyed working with him on this long overdue area of progress on behalf of the citizens of Halton and of all Canadians.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, it is a pleasure to rise in this House and talk on this bill; it is a double pleasure, I might say, since when I woke up this morning, I heard an announcement on the CBC saying that we should spend the rest of this day listening to the hon. member for Nickel Belt (Mr. Rodriguez). We have not heard from him, and in that sense this is one of the happier days of my life, but not entirely because of the introduction of the bill we are now debating.

I agree with the hon. member for Hamilton West (Mr. Alexander), the lead-off speaker who spoke so capably for the opposition, and with the hon. member for Winnipeg North Centre (Mr. Knowles), that parliament must explain this bill. In its present form the bill is confusing and I hope it will be improved in committee. I hope the staff of the Department of National Health and Welfare will, across the country, explain the jargon in the bill. I hope the constituents of Victoria do not expect a simple country school teacher like myself to understand the meaning of sub-paragraph (c) on the top half of page 13 of the bill which reads:

> If the monthly family income of the pensioner and spouse is greater than four thirds of the rounded reduced pension equivalent, the amount remaining, if any, after deducting from the supplement equivalent one dollar for each full four dollars of the residual family income of the pensioner and spouse.

I hope the department can explain that language to people reaching pension age who ask for help.

The history of this bill is peculiar. It came to the attention of parliament last April; at least it was announced last April. One of the enchanting things about being in the House of Commons is that you get a glimpse into matters you do not fully understand. Last April 14 the Minister of National Health and Welfare (Mr. Lalonde) rose on motions to announce that he intended to bring in the bill in a few months. I sat there rather open-mouthed, wondering why it was necessary to make a statement that day, and I still wonder why the minister did it. Perhaps, after the next election, the minister will write his memoirs and we shall then find out what he really intended to announce on April 14 and why, instead, he announced that he would introduce this bill in a few months.

This bill is in two main parts. One part deals with partial pensions, which are an innovation in Canada and I suppose almost everywhere else in the world. I have not before heard of partial pensions, but they are dealt with in the first part of the bill about which I want to speak. The second part of the bill has to do with reciprocal pension agreements with other countries.

I shall now deal with the first part of the bill, that part to do with partial pensions. Let no one think that this is not an important piece of legislation so far as pensions are concerned, because it certainly is. The rules and regulations set out under this bill will do much to discourage immigrants to Canada from expecting pension benefits. As is well known, at present people coming to Canada can qualify in ten years for a full pension. Under the new provision, one year's residence in this country will entitle you to one fortieth of the full pension. Let me illustrate what this provision will mean. According to my understanding of the bill, if a person at age 26 were to come to Canada and work here for the next 39 years, he still would not be entitled to a full pension at age 65. Compare that situation with the present situation. Clearly, there will be a substantial saving to the treasury and a corresponding substantial loss of benefits to those people who will have lived in Canada for 25 or 35 years before reaching retirement age.

The other point I wish to raise has to do with what happens if you can only draw about a quarter of a pension. You must have lived here ten years in order to draw ten fortieths of the full pension. That means that if you came here at age 55 and began drawing your pension at age 65, under present arrangements you would get a pension of about $35 a month. I cannot understand the philosophy behind the provision of the bill which says that from then on, no matter how much longer you reside in Canada, your pension will not increase, that is, your basic pension will not increase as you get older and spend more time in Canada.

Of course you will get the indexing increase, but on a prorata basis. This means that you will not get the same money increase as the person drawing the full pension. You will get about one quarter of the increase, to cope with the cost of living. It will be extremely difficult for people on partial pensions to keep up with the cost of living. The cost of living has gone up appreciably, and, God knows, the supplement or the indexing does not pay for that much of the increase. However, for a person who will only be getting one quarter of the indexing, it will be a very difficult time as he or she gets older.

● (2040)

A part of this system that was not mentioned by the minister will be the difficulty of choice for those coming here in late middle life. Take the case of a person who came to Canada at age 58, someone who had three years' residence in Canada previously. At age 65 he will have seven years plus the previous three. He will be entitled to $35 a month if he opts, and he will have a choice, to take the partial pension. The choice is that he could wait until age 98 and get a full pension. I doubt whether many people would wait the additional 34 years to get a full pension. They would almost inevitably be driven to accepting the partial pension. This ensures they will remain poverty stricken for the rest of their lives unless they have a private income.

No one can say this is a simple little act to help some people and not hurt anyone. It will make old age very difficult for

some of these people. They will face an extremely difficult choice. I hope the Department of National Health and Welfare ensures that there are proper counsellors in branch offices across the country who will be able to talk to these people at age 65 wanting to know whether they should opt for the new plan and take a partial pension or hang in there and build up a few more years of pensionable time. They will have to estimate their longevity versus their present needs, which is not a particularly pleasant prospect at that age.

With regard to reciprocal pensions, it is very strange, and I am sure the hon. member for Esquimalt-Saanich (Mr. Munro) agrees, and probably the hon. member for Winnipeg North Centre, that in all the correspondence and in all the answers the minister gave with regard to why Canada and the United Kingdom could not have reciprocal pensions, we were given the impression on each and every occasion that the United Kingdom was holding up the passage of reciprocal pension legislation. When we wrote to the United Kingdom to ask why they were holding up the legislation, they said that Canada was holding it up. The bill before us, which puts us in a position to have a reciprocal agreement, gives the lie to the previous letters we have had on this subject. Indeed, it was Canada holding up the arrangements, and not the United Kingdom.

On page four of the minister's explanation of partial pensions and other matters, as pointed out by the hon. member for Hamilton West, there is a question. The minister supplied an information sheet, much of which consisted of questions and answers. I very much appreciate having it. It goes a long way toward answering some of our questions, but not all. In trying to determine whether reciprocal agreements will mesh with our partial pensions, we are left trying to find an answer. A question and answer on page four confuses me. It reads:

QUESTION: What is meant by totalizing and prorating and how do they work?

ANSWER: Totalizing is the combining together of periods of residence or contributions in each of the contracting states for the purpose of determining eligibility in one or both of them. In other words, periods of residence or contributions in each contracting state are considered as periods of residence or contributions in the other.

We go down to question 20 which reads as follows:

QUESTION: Under an agreement, could totalizing and prorating be applied to an OAS pension earned under the new rules?

ANSWER: Yes. The ten and 20-year minimum could be satisfied under an agreement, each country paying its share of benefit under its own rules. For example:

(i) One year of residence in Canada after age 18 plus nine years of residence or contributions in the other country = 1/40th of an OAS pension payable in Canada.

This rather puzzles me. I think what is meant is that one fortieth of the old age security pension payable in Canada means payable by Canada and that another nine fortieths of the pension will be payable by the other country but payable in Canada, although it does not say so.

I am puzzled by that part of the answer that speaks of the ten and 20 year part of the minimum being satisfied under the agreement. How about the 40 year minimum a person will need for the full pension? That is a noticeable omission which I hope the minister will clear up in the near future. The other part of the example in the answer reads:

(ii) Fifteen years of residence in Canada after age 18 plus five years of residence or contributions in the other country = 15/40ths of an OAS pension payable abroad.

It would appear that 15 years in Canada plus five years overseas, in this case the five years does not count as far as the pension is concerned. I hope the minister will be able to clarify whether 18 years in Italy, if we have an agreement with them at that time, plus two in Canada will give a person 20 years, or whether 36 years in Italy plus four in Canada equals 40 years and a full pension.

There are some other general matters which leave me somewhat curious. The 20 year requirement of residence in Canada before drawing pensions in other lands is a little difficult to understand. This will certainly be a telling factor in areas such as my own constituency which tends to attract old age pensioners. They spend the autumn of their lives in a salubrious climate such as we have in Victoria. Some like to go south to places such as Arizona in early spring. It would make a great deal of difference whether they have 20 years of living in Canada to count. If they do not have that, and if they subsist on their pension, I expect they will be required to remain in Canada throughout the entire calendar year for the rest of their lives.

The minister saw fit to introduce something in this bill with regard to spouses. I thought that if he could avoid it, he would never mention the subject again. There is a clause in this bill that refers to spouses in the context of family allowances. I wish to put on record once more what I consider to be the meanness of the former legislation brought in by the minister, which is not changed by this bill. It had the provision that a person at age 65 drawing a pension could, subject to a means test, draw a pension for a spouse under 65, but over age 60. The couple having two pensions could get by. However, if the older one died, the minister decreed that the widow or the widower would need no income at all. He or she would be able to live on nothing. When asked about this in the House, his unkind words were that they could always go on welfare. I have always considered that to be one of the meanest pieces of legislation, with the possible exception of one brought in by Veterans Affairs denying prisoner of war pension gratuities to World War I prisoners of war while paying them to those of World War II. I hope those two will both be changed. They represent a very black blot on the record of the government.

There is a question to which I would like to get an answer. I would appreciate if the minister could nod his head. Will the guaranteed income supplement apply in full to partial pension recipients? Can those persons not get any of the guaranteed income supplement or can they get it prorated to the amount of the partial pension they receive?

● (2050)

Mr. Lalonde: They can get the total GIS.

Mr. McKinnon: I thank the hon. gentleman. I am pleased to see it on the record in *Hansard*.

Mr. Lalonde: I said it in my speech this afternoon.

Mr. McKinnon: I did not hear it in the speech and I certainly cannot find it in the bill or in the notes. However, I am pleased the minister has now told us that a person receiving a partial pension can get the entire guaranteed income supplement.

Clause 1(2) on page two of the bill spells out that the amount of a partial monthly pension for any month shall bear the same relationship to the full monthly pension for that month as the aggregate period in which the applicant has resided in Canada after attaining the age of 18 prior to the day on which his application is approved, determined in accordance with subsection 1(3), bears to 40 years. That is, if a person is on a quarter pension and the indexing for pensioners for that quarter comes to an additional four dollars a month—and, mind you, this is to cover the cost of food, shelter and absolute necessities—if it comes to four dollars a month for a pensioner, a person on a partial pension will get one dollar per month, that is, if he is on a 10-year or one quarter pension.

I am puzzled about the need for one other provision in the bill. I am not a parliamentary legal expert but the parliamentary procedure spelled out on page 16 seems to my mind to anticipate a form of closure. I refer to the short length of time allowed for the consideration and disposition of motions concerning this legislation. We find such words as:

> Where a motion for the consideration of the House of Commons or Senate is filed as provided in subsection (2) with respect to a particular order referred to in subsection (1), that House shall, not later than the sixth sitting day of that House following the filing of the motion, in accordance with the rules of that House, unless a motion to a like effect has earlier been taken up and considered in the other House, take up and consider the motion.

In the next paragraph a time is set for the disposal of the motion. Such a motion—

> —shall be debatable without interruption for not more than five hours and, on the conclusion of such debate, or at the expiry of the fifth such hour, the Speaker of the House of Commons or the Senate, as the case may be, shall forthwith put, without further debate or amendment, every question necessary for the disposal of the motion.

I am puzzled as to the need for such a provision, bearing in mind the existence of guillotine procedures such as we see in operation every so often. I am surprised the minister would see a need to incorporate additional such measures in the Old Age Security Act.

In conclusion, I would like to express agreement with what other members of my party have said. We have no desire to hold up this legislation. The faster it goes through, the better we will like it. It has a number of good points in its favour. Any move toward the reciprocity of pensions as between Canada and the other countries mentioned will be welcomed. I hope we shall be given a clearer explanation of the choices which have to be made and the period of time in which people can make a choice between a full and a partial pension, and, if they have any real choice, which would be the soundest way of exercising that choice.

[Mr. McKinnon.]

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, the measure which has been introduced today for second reading has evinced a wide measure of agreement. It is clear there is a broad measure of support for it in the House and I hope it will receive speedy passage.

I have only a few observations to make by way of general reflections on the bill and the changes it will mean in the administration of a program which had its beginnings in 1951 with the Old Age Security Act. In that year the residence requirements were very simple—20 years prior to retirement. There was no citizenship requirement. It was a very simple piece of legislation, one of a family of measures which Dr. George Davidson, then deputy minister of welfare, used to call universal benefits. Over the years, as the hon. member for Winnipeg North Centre (Mr. Knowles) has said, there have been a number of changes in the act. He went on to say that over a 40-year period, further changes must be anticipated. Consider the residence provisions alone. I believe that attached to the initial requirement for 20 years was a provision for make-up of periods of absence on a two to one basis.

In 1957, the government of the right hon. member for Prince Albert (Mr. Diefenbaker) reduced the period of residence qualification to ten years, again with a two for one make-up provision and the requirement that the year immediately preceding 65 must have been spent in Canada. The two for one provision proved to be excessively generous, and a three for one provision was subsequently introduced.

The residency requirement survived for a number of years—ten years prior to the age of 65, or one year immediately prior to 65 with make-up on a three for one basis. One further feature was introduced. Residence of 40 years would in any case permit an applicant to receive the pension and waived the "immediate preceding year" requirement prior to 65.

Mr. Knowles (Winnipeg North Centre): Forty years after the age of 18.

Mr. Francis: Mr. Speaker, we now see a change in the bill for good and sufficient reasons. Instead of those provisions we are moving to a year by year build up of residence, with a 40-year maximum over a period of time for full benefit.

The minister, in a clear and able statement to the House, and also in a statement he made on April 14 of last year, set out the intention of the government, and those proposals received broad support. What has happened is this: our legislation has been under increasing pressure as a result of the changing composition of Canada, the result of immigration, and of the employment of Canadians abroad during which periods they are subject to the social security legislation of other jurisdictions. The hon. member for Winnipeg North Centre said the bill needed a good deal of explanation to make sure it is not misconstrued. That is true. I cannot but feel that the changes will be to the advantage of those newcomers who have come from countries with mature jurisdictions in social legislation. However, those who chose Canada and who come from countries without comparable standards of social legisla-

tion will not be able to take advantage of provisions for reciprocal arrangements which are made possible by the bill.

The hon. member for Hamilton West (Mr. Alexander) said there would be a number of newcomers to Canada, fathers and mothers who came in their late years, and who cannot now look forward to building up full pensions. This means that many of them will be seeking the benefit of future welfare programs in later years.

The changes in the bill will have an influence on the administration in another sense. Residence for each year will count now, instead of general proof of residence, such as was acceptable up to now. These changes will mean that much stricter proof of residence on a year-by-year basis will be required in relation to old age pension benefits.

● (2100)

I think another change in the bill now before us must inevitably raise another question which I am sure the minister will have to consider before too long. I refer to the relationship of the program as it is now put before us to the Canada Pension Plan. It seems to me that the justification for the continued existence of the two programs becomes more and more questionable when they require individual proof of residence in one case and contributions on a year-by-year basis in the other. Under the Canada Pension Plan, individual records must be kept, and thanks to modern computers this is possible.

It seems to me that the minister should consider a combination of old age security and the Canada Pension Plan benefit so that we have in Canada one combined administration, one set of cheques to be issued, one set of records to be kept. At the time the Canada Pension Plan was adopted, many of us felt that Canada had sufficient leverage with the Canada Pension Plan to bargain with jurisdictions in other parts of the world that had refused to extend reciprocal privileges to those who had left their original homelands and come to Canada.

I realize that making old age security relate to individual years of contributions, in the way the present bill proposes, does extend the bargaining position of the Government of Canada. But it seems to me that we have moved a considerable way from the original concept of a universal benefit, with the simplest possible test of eligibility, a type of benefit that Canada has pioneered. Such benefits included family allowances, old age security and the rest.

We are now being forced to recognize that in the interdependent world in which our citizens move our systems must be adapted to the systems of other countries, and in particular must be more closely related to those social insurance programs that exist in western Europe. These are, Mr. Speaker, the facts of life.

Every speaker who has preceded me has pointed out that the bill has been in response to a number of cases of hardship brought to the attention of members of the House. The government does not seek by this bill to incur a smaller burden of social welfare payments, a smaller burden of social security payments. The total charge to the treasury is going to be about the same even after maturity of the program, but a great deal more equity is brought into the picture. For this reason, Mr. Speaker, I am pleased to support the bill.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I rise with pleasure to take part in this debate. I want to thank the minister for having finally brought down some legislation for which we have long waited. I wish to comment on only three aspects of the bill, and on the first one I shall be short.

The hon. member for Ottawa West (Mr. Francis), who preceded me, mentioned the requirement of residence on a year-by-year basis. I think this is good and enables one to build up a yearly entitlement to the pension, whether it be two fortieths, three fortieths, four fortieths and so on. This involves residence.

As a former member of the Canadian foreign service, many years of a foreign service officer's life and the lives of other members of the foreign service are not spent in Canada. For some purposes—for example, income tax purposes—these years are counted as years of residence in Canada even though one is serving abroad. I am satisfied in my own mind that it is not the intention of this bill to exclude these particular members of our society and to disentitle them during the years they are serving abroad, but I do want to be absolutely clear beyond equivocation. If necessary, we will take this particular bill to court if we are not sure that a Canadian member of the foreign service who serves abroad for one, two or three years will have his service abroad counted as residence in Canada for pension purposes.

I hope that the minister or his staff will have made note of this point. If there is any possibility of those persons being excluded—I do not think there is, but if they could be excluded—then I think appropriate amendments should be brought forward so as to ensure they are recognized as residents of this country during the time they are serving abroad. They are serving Canada. They are residents of Canada for most purposes, but for some purposes they could be considered as non-residents. Whether these people are members of the Department of External Affairs, Manpower and Immigration, Trade and Commerce, the RCMP, CIDA or whatever service, we want to be absolutely sure that they get their full entitlement when the time comes.

As so many members have thus far said, one of the preoccupations of a member of the House is with immigrant families who come to this country to join their children who, as young folk, came to make their livelihoods in Canada. They come here to share their last years with their families and their grandchildren. Those who came from Britain have been in an unenviable position. British pensioners in Canada are what I would call an endangered species because of the deterioration in the value of the pensions that they are able to draw from Britain. Many of them have not been able to qualify for a pension yet in Canada, and I am delighted that they are going to be able to do so under this new legislation. I for one am certainly not going to delay the passage of this bill, because the sooner these people enjoy that to which they are entitled

under this legislation and under any reciprocal agreement that is made, the better.

The hon. member for Halton (Mr. Philbrook) cited the case of two couples with whom he has been in correspondence for a couple of years. I have been in correspondence with something in the order of 200 families of this sort who have written to me about their plight. I should like to cite a couple of examples of immigrants who came to this country at differing times. As has been said so often, but bears repeating, immigrants from Britain to this country draw the pension to which they were entitled on the date they left Britain. If they happen to go back for a prolonged visit of two or three months, they will enjoy the incremental benefits that have accrued to their pension during their absence; but as soon as they return to Canada to resume their landed immigrant status or their status as Canadian citizens, they go back to their original pension.

I know one lady who contributed toward her pension from 1918 to 1956. Then at the age of 63 she emigrated to Canada. At that time her pension was valued at three pounds, seven shillings and six pence, which today I suppose would be valued at three pounds and so many pence. I have made the calculation and it comes out to 13 pounds 50 pence a month which, at present sterling value, is $21.60 a month. That is the value of the pension to which that particular individual contributed from 1918 to 1956.

● (2110)

A couple came to this country in 1970, and a pension to the two of them stood at eight pounds 20 pence a week, or 32 pounds 80 pence per month, which works out to $52.48 per month. That was when I received a letter from them late in the fall. If that couple had stayed in their country, their pension would have been worth 22 pounds. It would have gone from eight pounds 20 pence in 1970 to 22 pounds on the basis of increments granted since that time. But they do not get that 22 pounds, they are getting only 8 pounds 20 pence, or $52.48 per month for the two of them.

Of course we also have to remember that there has been a considerable drop in the value of the pound over that period. For example, in 1970 the value of the pound stood at $2.40 Canadian. In 1976-77 it stands at about $1.60. Not only has the value of the pound dropped, but in terms of purchasing power the value of the dollar has also been considerably eroded, so that while $52.48 might have sounded pretty good in 1970, it does not mean very much today. Therefore the dual, triple or quadruple erosion of the value of those pensions has eaten considerably into the ability of those immigrants to live comfortably or to be supported by those whom they came to join.

My first intervention in this Chamber on this matter occurred almost on the first anniversary of my election to this House. In fact it was one day after that anniversary, on October 31, 1973. I had written many letters to the minister at about that time, and I was told that there were problems in concluding reciprocal agreements with Great Britain. Like my colleague, the hon. member for Victoria (Mr. McKinnon), I was assured that the fault was on the side of Britain. When I wrote to Britain I got the same sort of answer, that the fault was on the side of Canada.

At one stage I learned that the British had submitted terms of an agreement. Unfortunately I could not get from the Canadian side any response to those terms either positive, negative or neutral. When I was in London a year later, in 1974, on a mission for the Standing Committee on Procedure and Organization in December of that year, I took it upon myself to recruit the assistance of a number of members of the British House of Commons. I recruited their assistance in order to get them to push this matter from their side, and I have been in continuous correspondence with these members ever since. I think my last letter to them was written this week.

In April of 1976, two and one half years after the original intervention I made in October of 1973, the minister announced his intention to introduce enabling legislation. Why enabling legislation? I was told in correspondence and in conversations I had with the minister that there was an incompatability between the social assistance programs in Britain and the social assistance programs on this side with regard to pensions for the elderly which was difficult to reconcile and which made it difficult to reach an agreement. I hope that this legislation, which in general terms is described as enabling legislation, will enable this government to reach a quick agreement with the British authorities in this connection.

There is a question in my mind which I would like to put on the record. Assuming that a reciprocal agreement with Britain is reached—and I hope it is soon—and assuming that the prorating formula applies, I would like to use the example of a British subject who has been resident here since 1963. What happens to that individual? We know what he was getting from Britain in 1963. I put that on the record just a few minutes ago. It was something in the order of three pounds a week, or $21 per month. He has 14 years' residence. Let us assume that we conclude an agreement this year and that it can be applied. He would therefore be entitled to 14/40 of the pension, if he reaches the age of 65 this year. That is clear; there is no problem there. However, what about the increments? What about that portion of the pension to which he is entitled as a result of his residence in Britain? Does he get those increments? Is this what the negotiations are going to be about? Will the government be able to negotiate into an agreement the increments which are due this particular pensioner so that he will get his full updated entitlement? This we do not know. We know simply that this legislation is intended to be enabling legislation.

There is still a mystery: why is this legislation necessary? How does it change the compatability or incompatability of the British pension and the Canadian pension formula in such a way as to enable these reciprocal agreements to be concluded? I am bound to say that I am a little suspicious that it is simply a delaying tactic, and I sincerely trust that the agreements will now be reached. I can assure the House that the government will be pressed from many quarters to conclude these reciprocal agreements. The government claims that this

legislation enables it to do so. I cannot see what prevented it from doing so in the past. In any event, it was unable to do so. Now the government claims it can. All right, let the government get on with it. I am not at all clear as to how this legislation reduces or eradicates the incompatibilities which it is claimed existed at an earlier time. I am therefore just a trifle skeptical, because the government has given me very little cause to be otherwise. However, I hope I am wrong.

I have spoken about the need to include in the legislation, if it is not already fully and adequately covered—and legally covered so that a court will uphold it—provision for Canadians who are serving abroad in Canada's foreign service. I have covered the need for an early conclusion of agreements. The third matter I wanted to talk about was the consumer price index as it applies to pensions.

As was mentioned this afternoon in the opening statement by the hon. member for Hamilton West (Mr. Alexander), one of the things we discovered on our tour—and I accompanied the hon. member on part of his tour with regard to the quality of life of the elderly—was that the consumer price index as it applies to the elderly is really meaningless. It is not geared to the needs or the purchasing patterns of elderly people.

● (2120)

Why do I say that? I say it for two reasons. One of the reasons, I suggest, is the criteria on which the consumer price index is based, the population coverage or what is popularly called the target group. I think it is worth reading into the record. I am referring to the study of the consumer price index for Canada put out by Statistics Canada, catalogue No. 62-539. It reads:

> The population group to which the CPI refers, commonly called the target group, delimits the specific segment of the population whose spending pattern is used to derive the relative importance of goods and services in the market basket. In selecting the target group, the objective was to secure wide representation or urban families with reasonably similarity in spending patterns among various groupings of family types and incomes.
>
> Accordingly, the CPI population reference group for Canada has been updated in the present revisions according to the following criteria:
>
> (a) Those living in Canadian urban centres with metropolitan populations exceeding 30,000;

Do our elderly fit into that pattern? Not badly. Some of them may be out in the country. It goes on to read:

> (b) Those ranging in size from two to six persons, consisting of any combination of adults or of adults and children.

I wonder if this really fits those about whom we are concerned at the moment. It goes on to read:

> (c) Those with annual incomes in 1967 ranging from $4,000 to $12,000.

Here is where we must depart from many of those who are eligible for pension settlements. I suggest that this is one reason why the target group aimed at by the consumer price index which is used for indexing pensions is not really helpful as it refers to the elderly.

But there is another reason, and that is the breakdown of buying patterns. It is an interesting buying pattern developed with great care. I do not criticize it on the grounds of the care with which it was developed for the purposes for which it is intended, but I maintain that it cannot be applied with any degree of credibility to those who are engaging our attention tonight.

Is as much beef being brought by our elderly as dairy products? We are told that 3.2 per cent of the basket is supposed to be beef and 3.3 per cent dairy products. I suggest that this is not quite in balance for the elderly. As much as 5.9 per cent is allowed on red meat as against .9 per cent on chicken and only .39 per cent on fish. I suggest that this pattern of buying fails if one were to examine the basket brought home by the elderly. It is obviously designed for persons with adequate incomes, to select according to taste and the need to provide bodily warmth and growth.

The sort of selecting I have seen among the elderly is one that is closely regulated by the price of the product offered. I have seen constituents of mine pick up a single pork chop and put it down because it is too expensive. They looked at the unit price and found that a pair of herring is much cheaper than a pork chop, so they will buy the herring. You will remember that at one time pork was a very popular item because it was cheap, and at another time it was chicken. I am not sure which item is cheap now for this particular type of buyer.

To go back to buying patterns generally, there is a suggestion that .9 per cent of the buying is for sirloin and only .8 per cent for hamburger. Surely even the buying in my own family does not respond to that particular proportion. For fruits and vegetables we have 3.2 per cent and for dairy products 3.3 per cent. I suggest that these figures may not be arbitrary, but they are not geared to the elderly.

On drinks such as tea, coffee and soft drinks, tea and coffee account for 3.5 per cent and soft drinks account for .7 per cent. This is ludicrous. These figures apply better to teenagers. Imagine allowing as much on pop as on tea!

Something I do not understand is 17.8 per cent on housing but only 8 per cent on rented premises and 9.48 per cent on home ownership. I do not understand this particular aspect of the price index anyway because it deals with both home ownership and rented premises. Surely it is one or the other. If you are going to have it as a component, they should be weighted the same but broken down internally. But who in this particular class is both a home owner and rents premises?

Do senior citizens spend about the same proportion of their expenditures on telephone services as on childrens clothing? It states here that it is 1.49 per cent as against 1.45 per cent. They must have an awful lot of grandchildren because they are either talking to them or buying clothing for them. They are allowed a little more than that on footwear, that is 1.58 per cent. The whole thing is ludicrous.

Transportation is another matter. Transportation counts for 15 per cent, when in most urban areas senior citizens travel free on the bus, or at half price, or at least at some discount, and not all senior citizens can afford a car, whereas this index provides 13 per cent for the purchase, operation and upkeep of the car.

My argument, therefore, is that indexing of pensions on the basis of a completely inapplicable consumer price index is deceptive and could be wrong. They could be diddled, they could be done out of what is their due. It is suggested that persons benefiting from that indexing are keeping pace in their purchasing with the items that are mentioned, when usually they buy in a completely different pattern in order to provide the sustenance of life.

● (2130)

The old age security and all the indexed pensions should therefore be adjusted in accordance with an index which measures very accurately the changes in the cost to those to whom the pension applies—the cost to the senior citizens for the expenditures they make, properly weighted for food as against housing, and properly weighted between tea, coffee and pop, and for clothing and transportation. Then and then only will justice be more nearly done. As matters stand now, great injustices are probably being perpetrated.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, the Minister of National Health and Welfare (Mr. Lalonde) has been considered by many people to be a Scrooge in many areas, but nowhere is he as much of a Scrooge as in dealing with services and pensions for the senior citizens of Canada.

This bill is supposedly designed to make old age security residence requirements a little better. I have some doubts about the proposed new rules and whether they will accomplish the corrective action required to treat our senior citizens in a more fair and equitable manner.

The bill deals with certain specific subjects. I think one of the most significant things about it is that it does not deal with certain subjects. A couple of years ago I wrote to the minister about a particular problem that is faced by widows, and I am sure he has received representations from other sources as well. There is in this country something known as a spouses allowance where a pension is paid to a spouse who reaches age 60 when the other spouse reaches age 65 and becomes pensionable. That was a progressive step. In most cases the one who reaches age 65 first is the male, who is normally considered to be the breadwinner. In the past he had the problem of retiring at age 65 and supporting his spouse, who is normally not working at that age, on the one pension.

The allowance was a step forward to provide relief to the man who wanted to retire, or to the woman who if she happened to be the breadwinner who wanted to retire and along with her spouse live off the old age pension and the guaranteed income supplement. There is also the situation of the widow whose husband had been eligible for old age pension and who now has no pension available to her. If the husband had not died, the woman would have drawn the pension at age 60, but now since she is a widow she gets no pension at all. In a letter to me the minister promised to bring in legislation to deal with this problem and I had hoped he would have taken advantage of the legislation before us to do so, but unfortunately that is not the case. I think he is to be severely castigated for that glaring omission.

[Mr. Munro (Esquimalt-Saanich).]

Another aspect of old age pensions is the guaranteed income supplement. I can understand the theory behind it—that it is given only to those in greatest need or those who have no other source of income. I suppose there are two sides to the argument for supporting or not supporting that approach, but it strikes me as being rather unfair to senior citizens who have made provision for their old age and have struggled to save money for it. They are being penalized by not being eligible for the guaranteed income supplement. This is discouraging people from saving for their old age and has the effect of increasing greater dependency on government handouts.

I would be inclined to suggest that the guaranteed income supplement should be reassessed to reward those who have been responsible and made provision for their old age to ensure they get whatever is available from the public purse on the same basis as those who had been less responsible or less fortunate. Perhaps the most glaring complaint is that the combined old age pension and guaranteed income supplement are too low.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Yewchuk: Except for the hon. member for Winnipeg North Centre (Mr. Knowles) who has just interjected, and who happens to be collecting another income. The old age pension is probably adequate for him, and of course he does not collect the guaranteed income supplement. Not all senior citizens are in his fortunate position. Perhaps that might be changed some day although that is not to suggest that this place should consist only of senior citizens, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Why not?

Mr. Yewchuk: I would not object if this place consisted only of senior citizens except that it would be a rather uneven representation of the population as a whole. I think we have followed the tradition of this institution being more or less representative of the population at large.

Mr. Alexander: That is why I am here.

Mr. Yewchuk: I think we have enough senior citizens to represent the ratio of the population and others to represent other age groups and segments of Canadian life.

Mr. Knowles (Winnipeg North Centre): On that basis, there should be a lot more of us here.

Mr. Yewchuk: There should be a lot more of them particularly in this party, and not the one to my left which seems to have a preponderance of senior citizens.

I want to comment on the proposal the minister is putting forward. I think there is something wrong with a system in which an immigrant who becomes a Canadian citizen earns one fortieth of full pension per year only until age 65. On the surface it may sound fair enough, but what if this person is self-employed and continues to be an economically productive member of society until age 70 or 75? If he arrived in Canada at age 55 the most his pension could amount to would be ten

fortieths of the full pension because he would no longer qualify even if working after age 65. He might decide to defer applying for old age security beyond age 65 if he knew that by doing so he would be earning a larger share of the full pension when he stopped working. It seems to me it would be quite logical to introduce this kind of flexibility.

If an individual at age 65 felt strong and healthy, he should not be penalized for that but should be able to continue earning some "pension points", so to speak, so that when he stopped working he would be entitled to a slightly better pension than if he had stopped at age 65 as the present proposal assumes he would. Even if he did stop working at age 65 he might be just as productive as a man who had been collecting welfare or unemployment insurance almost from the day he came to Canada. These comments have been by way of preliminary introduction to the key issue I want to discuss. It has to do with the fact that the government has been negligent in areas in which more progress for the elderly in our society could be made.

• (2140)

In my view the government has been slow to develop other services for the elderly. For some strange reason, for the past couple of decades we have thought that you need only provide the elderly with a small pension and put them in an institution, and that would be enough. I take issue with that approach; it is not right. First, that approach is much too costly, and I think particularly of the cost of institutions. Second, the elderly do not want it. In my view, and I have talked with many elderly people, they would far prefer to stay in their own residence, if possible, or perhaps with their families, than be placed in an institution as soon as they reach retirement age.

Mr. Alexander: They don't like being put out to pasture.

Mr. Yewchuk: Basically, we need to readjust our philosophy underlying the treatment of our senior citizens. Instead of giving them a little pension and putting them into an institution, we could perhaps give them a better pension and keep them at home a lot longer. As well, we ought to provide those services which will make it possible for them to stay home longer.

At present 8 per cent, or almost two million individuals, of the Canadian population consists of people 65 years old or more. By the turn of the century there will be approximately 3.4 million Canadians in this category. That figure represents a 250 per cent increase in the aged population at the turn of the century, as compared with an estimated total population increase of 75 per cent for the same period.

The elderly, it is clear, are now major users of the health care system and will become increasingly so in the future, as the proportion of the aged in our population increases. Hospital utilization, measured by patient days used by the elderly in general and allied special hospitals, will increase from 35 per cent in 1971 to over 42 per cent by the year 2001. Based on current practice, it is estimated that by the turn of the century we shall need an additional 166 hospitals, each with 300 beds, to accommodate the predicted increase in the aged population. The hospitals it is predicted we shall need will be provided at staggering cost. For this reason alone we ought to consider alternatives to institutions.

Canadians tend to resort to institutionalization more than is altogether necessary. If this trend could be reversed and the taxpayers saved the cost of these institutions, governments would be in a better position to increase old age pensions. The result would be that senior citizens could be more self-reliant, and would be better able to provide for their own care.

The Canadian Senate Committee on Aging estimated that, in the period 1962-63, 8.5 per cent of the Ontario population 65 and over was in some kind of institution on any one day, compared with less than 5 per cent in the United Kingdom. Clearly the province of Ontario puts a proportionately larger number into institutions than does the United Kingdom. More recently it was estimated that in 1972-73 9 per cent of the population of Ontario aged 65 and over was or is in an institution of some sort. As one can see, relevant figures rose from 8.5 per cent in 1962-63 to over 9 per cent in 1972-73. One reason for this rise, I suggest, is that there is little or no alternative to institutional care.

The provision of more beds is not a solution to the health problems of the elderly. In Winnipeg, between 1966 and 1974, while the population of those 65 years old and over increased by 17 per cent, the number of nursing home beds increased by 91 per cent. Some may think that these figures reflect to the credit of the government, something to be proud of; I suggest that the opposite is true. We should be ashamed of them.

The elderly also use non-institutional health services in greater measure than their share of the population would lead one to expect. According to 1971 figures, in Quebec 14.5 per cent of medical services rendered by doctors was for those 65 years old and over; 37 per cent of home visits was for persons 65 and over; the number of services per person aged 65 years and over was 11, compared with 4.8 for those under 65 years; the number of examinations per person 65 years and over was 6.9, compared with 2.9 for those under 65 years. It is therefore apparent that the increase in the aged population associated with the increase in utilization of health services will be one of the major problems in the health care field in the future. Moreover, I point out that most elderly Canadians wish to remain in their homes and communities; indeed, it is healthier to keep them there and much less costly.

The elderly have many health problems associated with their condition. They have diminished reserves, and the functions of various organs are altered. Their medical problems are complicated by the presence of multiple diseases, different presentation and response to disease and differing response to drug therapy. Also, the difficulty to ascertain disease is widespread, and nutritional deficiencies are common. That is to say, one finds among the elderly nutritional deficiencies which are not common to the general population. This perhaps shows that pensions are too low and senior citizens cannot afford to

buy proper nourishment, or that we lack proper services with which to keep a close eye on senior citizens and make sure they are properly nourished and looked after. Senior citizens take longer to recover from disease, and treatment must be aimed more at overcoming disabilities and improving function than at obtaining absolute cure.

The elderly are subject to complicating social problems which include loneliness, isolation, financial difficulties, bereavement, loss of status, and poor accommodation, that is to say, poor shelter.

There has been little formal undergraduate education in geriatrics and gerontology in Canada, which highlights one of our important deficiencies in terms of our ability to care for senior citizens. The fact is that there are too few specialists in geriatrics in this country and not enough training facilities to train those who would work in the fields of geriatrics and gerontology in this country. This state of affairs reflects shamefully on the minister, who has been responsible for his present portfolio for a number of years, and on the government, which has been in power now some 14 or 15 years. If our people cannot change these conditions and correct the problems I have outlined, their only obvious alternative is to change the government which has resisted taking progressive action of the sort which other governments, of other countries, have taken, to show that they appreciate what those who built up their countries did.

● (2150)

The World Health Organization has recommended the initiation of geriatric services as a solution to the health problems of the aging. The aims of such preventive geriatric services should be to keep the elderly in their homes within the local community for as long as they are able and desire to remain there, and to train all those who work with the elderly in the special ways in which disease presents itself in the aged, and how to detect illness in the early stages.

Britain has six chairs of geriatric medicine. In Canada there is a well developed geriatric department at Deer Lodge Hospital in Winnipeg, and recently a demonstration model for a community geriatric service based at St. Boniface Hospital has been recommended.

In Ontario, apart from Sunnybrook, the University of Western Ontario has appointed a co-ordinator of geriatric care in the Department of Medicine; Queen's University has instituted a division of geriatric and continuing care medicine, and McMaster has a consultant gerontologist for the health science faculty. This represents only a very small segment of Canada's population that is being served.

I believe it would be useful to outline the services offered by the Sunnybrook Medical Centre in Toronto as a good example of a pattern that might be used in other places to establish services which are required, and to which I have been making reference in the past few minutes.

[Mr. Yewchuk.]

There is an assessment unit which assesses the mental and physical condition of an elderly patient. There is a rehabilitation unit which provides many forms of rehabilitation to people who require it. There is a psychiatric unit especially designed to deal with the special psychiatric problems which senior citizens face. They are different from those faced by Canadians in other age groups.

There are long term wards for those who must be kept there on a long-term basis. There are domiciliary and self-care units which provide service on a shorter term basis to people who require less attention by others.

They have a community care program which includes daytime admissions only, a day hospital. There is a home care program which provides various services to people while at home. This home care program is administered from the hospital. It follows up patients who have come and gone, providing services which enable them to remain at home and yet receive the appropriate care.

They have a geriatric assessment and consultation clinic as well as follow-up clinics. They also have a program of education of medical people. First year family practice residents rotate through the department for a couple of months at a time in order to increase the knowledge and ability of general practitioners to deal with special problems of the aged.

There are some particular proposals for further development of preventive geriatric services. Perhaps that kind of service could do more to ease the burden of life for senior citizens than many of the others. It would do a lot to ease the burden of costs for treating patients who have been neglected. They may come in with one kind of an illness or another which, if it had been dealt with earlier, could have been prevented.

Special in-patient units are being considered in an intermittent re-admission program. Under this program a patient is admitted for six weeks and returns home for six weeks. This pattern is continued on an alternating basis. It allows the patient to spend half of his time at home while providing his family with a six week break during which time his physical health can be brought to an optimal level while he is in hospital.

Essentially what you have here is one bed being used for two patients simultaneously but alternately. That is an obvious reduction in the cost of an institution. You have two patients being cared for out of one bed.

There is a proposal for a palliative care unit, something that does not exist in many places in this country. It should be established in many areas. Work in various institutions in various parts of the world has shown the value of these kinds of units. They deal with those who are terminally ill or in severe pain for which there is no cure. They require hospitalization measures to ease the pain or to be ensured greater comfort during their last few days or weeks. This is something which governments throughout this country should examine.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

SOCIAL SECURITY—SUGGESTED REDUCTION TO 60 OF ELIGIBLE AGE FOR RETIREMENT TO CREATE EMPLOYMENT FOR YOUNG PEOPLE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I do not have many opportunities to rise in the adjournment debate.

Mr. Stanley Knowles (Winnipeg North Centre): Welcome!

Mr. Lambert (Bellechasse): Thank you. Since I feel the question I raised with the Minister of National Health and Welfare (Mr. Lalonde) on February 2 is extremely important but the minister did not share this view, I thought I should clarify the matter and urge the minister to reconsider his answer.

Be that as it may, I asked the minister whether he would suggest to his cabinet colleagues that the eligible age for voluntary retirement be reduced to 60 in order that those who so wish could retire from the labour market and provide jobs for a number of other people. In answer, the minister indicated that according to studies prepared by him or by others such a move would not create that many jobs. It would be preferable if the minister told the House which agencies prepared those studies and stated their findings so the House could peruse them.

It is quite evident that, assuming we had a plant employing 100 people and 20 workers retired voluntarily to receive voluntary retirement pension at 60, there would be no job openings if the employer forced the 80 remaining workers to increase their effort and put out the same volume of production. Such however would be an exceptional case, and the labour unions would see to it that things back were put back in order, to end the agony of remaining workers.

● (2200)

Personally, Mr. Speaker, I know a great many people between 60 and 65 who would be anxious to retire for various reasons. They would like to be able to travel when they are still physically fit to do so and they tell me it is much nicer to travel when both spouses are in good physical condition. It would be more pleasant to travel and to enjoy the few good years of their life.

There are 896,000 persons of both sexes between 60 and 65, and it is believed that at least 40 per cent of them, or 358,000, belong to the labour force. Let us suppose that 50 per cent of them would volunteer to retire, this would mean 179,000 job openings. If these were filled by young people between 19 and 30 years of age, we would hope that a number of them who wish to get married would be able to realize their dream. At least it would help them do so and they might even wish to buy their own house. Eventually, this would stimulate the building trades and give jobs to the workers of this industry.

For my part, Mr. Speaker, I believe that our society would stand to gain if we were to facilitate the access of young people to the labour market. This could also contribute to increasing the birth rate to ensure a natural and normal growth in the Canadian population. All those reasons favour lowering the age for voluntary retirement to 60. For the good of older people, they should be allowed to spend their energy in doing something worthwhile, because otherwise, if they are not given this opportunity—and they say that idleness is the root of all evil—they will do something else.

For my part, I know very well that it would not have been a good thing to let me spend too long with nothing to do when I was very young. I would have found ways to use up my energies. When we get older and more mature and have gained much experience of life, we can remain idle with not much danger, and society will not be any the worse for it. This is another advantage that we must consider. I know many people of 60, 62 or 64 who live comfortably and who have already retired. They take better care of their property because they have more time than when they had to go to work. This improves their environment and encourages the young people to better appreciate their environment and their country. This is another factor that we must consider. Many of those people grow a garden and this shows the young people that the earth has some use and that we must take advantage of it.

There are also people who do odd jobs, who do all kinds of things to keep busy, useful things for their neighbourhood and their family. I know some of these people who belong to golden age clubs. I congratulate the minister for implementing the New Horizons program. These are properly managed funds.

For all these reasons, Mr. Speaker, I urge again the Minister of National Health and Welfare (Mr. Lalonde) to reconsider this matter and these suggestions from hon. members in order to put forward as soon as possible a legislation which would allow people to retire when they are 60 on a voluntary basis, and I emphasize the word "voluntary".

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it is very difficult within a three minute time limit to answer the various arguments put forward by the hon. member, who speaks with so much conviction and sincerity.

The problem he raises I think is of concern to many members and citizens in this country. Unhappily, the points he made, although valid in many respects, contain as well other aspects on which he did not have time to elaborate and which I will not be able to cover either within the short time at my disposal. For instance, he speaks about voluntary retirement. I simply wish to ask him what will he do about spouses at home? A woman who has worked in her home, who has brought up a family during all her life, would be as much entitled as her

husband who has worked in a plant, on a farm or elsewhere, to say she wants voluntary retirement at 60. And I do not see how, when he talked about some 900,000 people, he could cut that figure in half by saying half of them are working and then again cutting it in half when he added maybe half of that half will want to retire. I regret but he left out the 450,000 spouses who would not hesitate to ask for benefits, and rightly so, if ever such an idea were carried out and people started to demand early retirement under the old age security program in those terms . . .

Mr. Lambert (Bellechasse): Man and wife!

Mr. Lalonde: The hon. member says man and wife. So right then the figures he mentioned should be twice what he had forecast. I would probably say more than twice those figures. Our computation was made within the department. It shows that if all people between 60 and 65 could benefit from that program, it would cost us more than $2 billion in 1977, supposing that only one half of that total figure—and, once again, we should take the spouses into account—would benefit from early retirement. So we would already have more than an additional $1 billion in outlays.

Mr. Speaker, in the few minutes I have left, I would like to raise the problem of those who find it too soon to retire at 65 and who would like to go on working, to have a job. They protest because, in many cases, in their factories they are obliged to retire at 65. This is something new, due mainly to an increased life expectancy and we can see this phenomenon in various countries, particularly in the Scandinavian countries and also in the United States. New pressures are brought to bear that people can have the right to work after 65. As we can see, many people are concerned by this problem but, unfortunately, I do not think that we can seriously deal with it tonight. However, I would be pleased to discuss it with the hon. member on another occasion.

[*English*]

CUSTOMS—PURCHASING OF GROCERIES IN UNITED STATES BY RESIDENTS OF BRITISH COLUMBIA—GOVERNMENT ACTION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, on November 15 last I asked the Minister of National Revenue (Miss Bégin) a question regarding the shopping practices of Canadians in British Columbia, for example, why they go south of the border to Bellingham, Washington, to do their shopping. First of all I want to make it clear that I am thankful for some of the work that the minister has done. She is the first minister in that department, among the parade of three or four ministers that we have already had over the last three or four years, who is doing something for the customs officers in that area. One thing she has done is to add four more man-years to the present staff there on a casual basis.

I should just like to interject at this point that although these man-years are casual at the present time, they ought to be permanent man-years. I say this because the traffic is going to increase and the staff at the customs post are already overworked. Therefore I ask the minister to reconsider the present casual classification of the men working there and to place them on a permanent basis.

The minister herself wondered why people shop south of the border. I do not go grocery shopping very often, but when I do I am shocked at the way the price of food commodities goes up every time. I certainly do not go shopping in the United States. I am not an authority on this, so I went to the best Canadian authority on the price of groceries there is, the ordinary housewife.

● (2210)

I went to a young mother with three children who does her shopping in the United States because she saves money by going there. I learned that she saves $20 every two weeks, which is something like $40 a month. That is nothing to sneeze at when you are trying to raise a young family. I would like to tell the House about the things she buys there, and the amount she saves by doing so.

The American price of Sugar Crisp, a cereal, is $1.02 and the Canadian price is $1.51, 50 per cent higher in Canada. Rolled oats, good Canadian food, costs 98 cents in the United States and $1.13 in Canada. Frosted flakes cost $1.01 in the United States and $1.30 in Canada. The Minister of Agriculture (Mr. Whelan) is always bragging about what a great thing he is doing for Canadian farmers, but here is the way it turns out with regard to the price of corn. In the United States corn costs 28 cents per tin, and in Canada it is 51 cents a tin.

A shopper in the United States pays $1.68 for six tins of corn, and in Canada that shopper pays $3.06. Beans cost 24 cents in the United States and 41 cents in Canada. If four cans are bought in the United States, the cost is 96 cents, and in Canada the cost is $1.64. Weiners cost 48 cents in the United States and 89 cents in Canada, and we wonder why shoppers go south of the border. The Canadian price is double that of the United States. The price of bacon in the United States is 89 cents, and in Canada it is 99 cents. Cheese in the United States costs 89 cents and in Canada $1.27.

Mr. McKinley: How about cars?

Mr. Friesen: Cars are cheaper by a long shot. Ham costs 82 cents in the United States and 97 cents in Canada. Meat pies—packaged food—cost 24 cents in the United States and 38 cents in Canada. Let us consider one more item, tuna fish; it costs 44 cents in the United States and 71 cents in Canada. If a shopper buys four tins, he pays $1.76 in the United States and $2.84 in Canada.

The crowning example is Dare cookies, and the bag says "Head Office, Kitchener, Ontario". There is a plant in Surrey-White Rock, 20 miles from the border. As a matter of fact, that plant is 40 or 50 miles from Bellingham, where the shopping is done. Dare cookies cost 88 cents in the United States and $1.09 in Canada, where they are made. Pray tell, is there somebody on the government benches who can tell me why a Canadian product, made of Canadian agricultural

products, costs more in Canada than it does when it is shipped across the border to the United States? I asked the Minister of Finance (Mr. Macdonald) that question a week ago, but I received no answer.

Some may say that it does not pay to go across the border to shop because there is gas and wear and tear to be paid for, but gas is 10 cents or 12 cents a gallon cheaper there. People go down with an empty tank, fill it up there and save money on gas. It is one thing for a couple to raise a young family with the prices we have in Canada. They have a hard enough time, but what is it for people on fixed incomes who get, for example, $3 added to their pensions every three months because of the cost-of-living index? Is it any wonder that they pool their resources and go to the United States? We may think they are being disloyal to Canada, but all they are doing is trying to keep body and soul together. I would like to have an answer from the Parliamentary Secretary to the Minister of National Revenue (Mr. Baker (Gander-Twillingate)) as to why it is we have this kind of price differential.

The minister was a little catty in her answer when she said "I am anxious to hear his exact views as to what he wishes us to do". Pray tell, that is not my job. If the minister and the rest of her colleagues want to move over, we would gladly take that mandate and offer a few alternatives to the Canadian people. It is her job to look at the mess in which the government has put the country, and to give us the kind of economic policies that would deal with rising prices, prices that prevent people from being able to afford to shop in our own stores and buy our own products. It is cheaper to buy our own products in the United States. I am awaiting the reply of the parliamentary secretary on this.

Mr. George Baker (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I certainly want to thank the hon. gentleman and concur in his remarks about our excellent minister. I also want to thank him for his rundown of all the cheap prices in the United States. However, I think his question is misdirected when he asks it of this department. We have nothing to do with setting prices in the United States or with setting customs tariffs. Setting customs tariffs is the responsibility of the Department of Finance.

We have brought the matter of the tariffs to the attention of the Department of Finance. The hon. gentleman knowns that; he was told that in writing as well as in this House. Our position is that we do not attempt either to encourage or discourage grocery shopping in the United States because we cannot, but as a department of the government we do not want to act in a way to harm Canadian businessmen, manufacturers or producers.

The Acting Speaker (Mr. Ethier): Order, please. A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.18 p.m.

HOUSE OF COMMONS

Wednesday, February 9, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL DEFENCE

SUGGESTED DELAY IN MOVEMENT OF AIRBORNE REGIMENT FROM EDMONTON PENDING COMMITTEE STUDY—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I rise under the provisions of Standing Order 43. Because the Department of National Defence has not given a reason for the forthcoming move of the Canadian Airborne Regiment out of Edmonton, and because the city of Edmonton has requested an "impartial study" of the financial impact of the transfer, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That the House refer this matter to the Standing Committee on External Affairs and National Defence and that the airborne regiment move be halted until the committee has presented its report.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ATOMIC ENERGY OF CANADA LIMITED

PROPOSED RENEGOTIATION OF CONTRACT WITH MR. EISENBERG—MOTION UNDER S.O. 43

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In light of the fact that the Auditor General has expressed dissatisfaction with the terms of the option given to Mr. Shaul Eisenberg as an exclusive agent in the event of the sale of a second CANDU reactor to South Korea, and in light of the fact that he has expressed similar dissatisfaction with the terms of the post-contract services documentation under which Mr. Eisenberg would be paid a yearly sum for the next six years, and has suggested that he may be forced to make similar comments in his next report about the arrangements between Mr. Eisenberg and AECL as he made about the original agreement, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the government instruct AECL to renegotiate the present arrangement between AECL and Mr. Eisenberg, and instruct the management of AECL to ensure that the accounting standards and level of documentation in this and all future agency agreements, are acceptable to the Auditor General of Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

SUGGESTED MODIFICATION OF REGULATIONS TO INCLUDE FARM LABOURERS—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to discuss an important and urgent matter.

As the April, 1976 dairy policy of the Minister of Agriculture led to an income loss of roughly 20 per cent for milk producers and the lay-off of many farm labourers; as agricultural producers must now bear the attacks, wrong-doings and iniquities of the Department of National Revenue and the Unemployment Insurance Commission; as civil servants would seem to have decided to do away with that agricultural sector by refusing to insure that type of work, which could lead to its complete disappearance while depriving it of the assistance required for its development, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House order the Minister of National Revenue and the head of the Unemployment Insurance Commission respectively to take all necessary steps, as soon as possible, to remedy the many weaknesses that exist with regard to unemployment insurance in the case of farm labourers.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to Standing Order 43, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

● (1410)

[*English*]

AIRPORTS

PLANS TO COVER OPERATING LOSS AT MIRABEL—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of reports of an anticipated loss of nearly $50 million at Mirabel Airport for the current fiscal year and bearing in mind the announced intention of the Minister of Transport to impose a user-pay policy in connection with transportation facilities in this country, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That this House direct the Minister of Transport to make a statement on motions outlining the exact amount of the loss suffered by the Mirabel Airport this year, the precise basis of compensation for the loss, the measures, if any, anticipated to meet this substantial loss, including any plans for diverting business from Dorval Airport and exactly who will be absorbing the substantial loss referred to.

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

Some hon. Members: No!

* * *

THE CANADIAN ECONOMY

PROPOSAL THAT COMMITTEE STUDY NATURE AND LEVEL OF UNEMPLOYMENT—MOTION UNDER S.O. 43

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, pursuant to Standing Order 43, I rise on a matter of urgent and pressing necessity. In view of the fact that since the present administration took power in 1968, unemployment levels in Quebec have been approximately one third higher than the national rate while in the Atlantic provinces the unemployment level has been 50 per cent higher than the national average, and since, to judge from an answer to a question put to him yesterday the Minister of Finance is apparently unaware of these facts, I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That there be an immediate reference of the question of the level and nature of unemployment in Canada, particularly in Quebec and the Atlantic provinces, to the Standing Committee on Finance, Trade and Economic Affairs which has been sitting idle and not reviewing economic matters for months.

Mr. Speaker: Such a motion cannot be presented without the unanimous consent of the House. Is there such consent?

Some hon. Members: No!

[Mr. Speaker.]

EXTERNAL AFFAIRS

REQUEST THAT SOVIET UNION ADHERE TO HELSINKI AGREEMENT ON FREEDOM OF MOVEMENT FOR CITIZENS—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I ask leave to move under the provisions of Standing Order 43, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That parliament express to the government of the U.S.S.R. its concern about the arrest and imprisonment of Soviet citizens, including the two members of the Helsinki monitoring group in Kiev who worked for the release of Valentyn Moroz, Mykola Rudenko and Oleksii Tykhyi; Alexander Ginzburg who dispenses aid to political prisoners and their families, and Amnur Zavurov, tried and imprisoned for his attempts on behalf of Alexander Solzenhytsyn to leave Russia, and that the U.S.S.R. be urged to live up to the commitments it made when it signed the Helsinki agreement which would guarantee freedom of movement to all citizens.

Some hon. Members: Hear, hear!

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

Some hon. Members: No!

* * *

[*Translation*]

PENITENTIARIES

PROPOSED CONSTRUCTION OF NEW FACILITIES IN QUEBEC—MOTION UNDER S.O. 43

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with a matter of pressing necessity.

Since tension is constantly increasing in Quebec penitentiaries, especially at Saint-Vincent-de-Paul and at the CDC, and since that condition has reached its climax and we can no longer tolerate the fact that prisoners are kept in their cells 23½ hours out of 24, I move, seconded by the hon. member for Oxford (Mr. Halliday):

That this House unanimously recommend to the Solicitor General: first, the construction in the shortest possible time of a penitentiary in Quebec to prevent crowding of inmates in existing penitentiaries; second, the establishment in that new institution of an adequate rehabilitation program; third, the use of available premises in existing penitentiaries for preliminary rehabilitation programs; and finally, the setting up of a mechanism enabling inmates to receive visitors.

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

ORAL QUESTION PERIOD

[*English*]

POLYSAR

ALLEGATIONS IN JUDGE AYLESWORTH'S REPORT—GOVERNMENT ACTION TO INFORM OTHER COUNTRIES OF ALLEGEDLY IMPROPER PROCEDURES

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Prime Minister. It arises from the report today by Judge Aylesworth to the Board of Directors of Polysar in which he says the corporation's Swiss subsidiary took action which included aiding unnamed companies to evade taxes, defraud minority shareholders and break currency regulations. Does the right hon. gentleman believe that the action he took in 1973, almost four years ago, when this matter was first brought to his attention, was at all adequate? Can the Prime Minister also say whether or not we in the House can believe that the sort of thing that he did then is indicative of the way that allegations which are brought to the attention of the government are now handled?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to read the allegations made by the hon. member. I am sorry that they have not been brought to my attention before now but I will look into them.

Mr. Gillies: Mr. Speaker, I have a supplementary question for the Prime Minister. Inasmuch as in those allegations made in the report it is suggested that through the action of a Crown corporation, wholly owned by the government, companies in other countries were permitted and able to avoid taxes and break currency laws, is it the policy of the government to inform other countries of the names of such companies with which a Crown corporation in Canada was involved, so that those countries can take appropriate action against those companies?

Mr. Trudeau: Mr. Speaker, I listened attentively to the question, and I repeat that I do not know on what it is founded. From the way the question was phrased, it appears that foreign companies have broken laws in foreign lands. So far as Canadian companies are concerned, if they did not act illegally or improperly I fail to see the connection with this allegation about what would happen in foreign countries and what Canadians might do about it.

Mr. Gillies: A final supplementary, Mr. Speaker. The only way that the foreign companies were able to break the law in their own land was through the co-operation of a Canadian company, a Crown corporation which was wholly owned by the government. Therefore, I ask the Prime Minister whether he feels that the government has the responsibility of telling those foreign countries the names of the companies which broke the law with the co-operation of a Canadian Crown corporation?

Mr. Trudeau: Mr. Speaker, I want to be sympathetic to the wave of purity which is apparent on the other side, but I would still prefer to look at the facts before giving an answer to what to me, at this stage, is just a hypothetical question.

* * *

GOVERNMENT ADMINISTRATION

PRIME MINISTER'S KNOWLEDGE OF REBATES OR DEALS MADE BY CROWN AGENCIES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary is also directed to the Prime Minister. In spite of the fact that this important report was hand-delivered to the Prime Minister's office at nine o'clock this morning and he still does not know anything about it—

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): What were you people up there in the gallery doing?

Mr. Lawrence: In any event, the Prime Minister will remember the allegations which were placed in his hands at the end of 1973 in a letter from the then auditor general. I wonder whether the Prime Minister could tell the House whether he has knowledge of any other allegations that have been made to him in respect of any other Crown agency, Crown corporation or subsidiary which relate to a similar rebate, deal or transaction with customers, which has now been amply proved by the report that was delivered to the Prime Minister this morning at nine o'clock?

Right Hon. P. E. Trudeau (Prime Minister): I have not seen the report, I am sorry. Possibly it did arrive at my office at nine o'clock but I spent most of the morning in caucus. I probably will not be able to read it this afternoon because I have to go to the Governor General's for an outstanding achievement award.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: Is the award to Polysar?

Some hon. Members: Resign.

Mr. Trudeau: I may have time to read it, but I am not certain because I have a cabinet meeting tomorrow morning and I have a lot of cabinet documents to look at of more urgent priority, dealing with such things as provincial needs. So, perhaps tomorrow when the House meets again I will not have read the report, but I will do my best.

● (1420)

AUDITING OF CROWN CORPORATIONS BY AUDITOR GENERAL—GOVERNMENT POSITION

Mr. Allan Lawrence (Northumberland-Durham): A supplementary question, Mr. Speaker. In view of the fact that the award is obviously not for speed reading I wonder if the Prime Minister could inform the House if the government is giving

consideration to this obvious need for all Crown corporations, all Crown agencies and all subsidiaries of those agencies and corporations to be audited by the Auditor General instead of an outside auditing firm? Is the government giving any consideration to that?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe that is being considered. On the conduct of Crown corporations, we issued guidelines a little less than two months ago and these certainly would apply to the cases which are alleged by hon. members opposite.

* * *

THE CANADIAN ECONOMY

ALLEGED STIMULUS OF INDEXING OF INCOME TAX—SUGGESTED TAX CREDIT FOR LOW AND MIDDLE INCOMES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Prime Minister. Yesterday the Prime Minister referred with a sense of self-satisfaction to the billion dollars transferred disproportionately to upper-income Canadians as a result of the indexation of our tax system. He suggested this would be an added stimulus to the economy to create jobs. Since this billion dollars relates precisely to a change in the cost of living and was designed to do so, would the Prime Minister now admit his error and acknowledge that there is no new stimulus to the economy in this at all, precisely because there is no change in purchasing power. If he makes such a rare acknowledgement of error, would he agree that such stimulus is now required?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot agree with the allegations of the hon. member about this being payments to upper-income Canadians. In the $1,700 million which were enumerated by the Minister of Finance a very large part is for family allowances, another part is for old age pensions and a third part for unemployment insurance deductions. On that basis, I think it would apply to lower-income Canadians.

Mr. Broadbent: Mr. Speaker, even the Prime Minister should know that when the Minister of Finance used the billion dollar figure which the Prime Minister picked up, he was referring to the effects of indexation. I should like to get back to that point. Would the Prime Minister agree that because of that change there is really no new stimulus to the economy coming from it. Even so, accepting his own implied argument yesterday that some stimulus is required, would he take steps to ensure that a tax credit applied to the 1976 tax returns which are now coming in, would be made available to middle and low-income Canadians so that we can get the required stimulus?

Mr. Trudeau: Mr. Speaker, I was referring to the four items that I enumerated again today. I think I see the economic point that the hon. member is trying to make. I suggest it would depend on the propensity to save and the propensity to spend of the various people receiving these funds. Until one can ascertain that one cannot draw the conclusion advanced by the hon. member.

* * *

MANPOWER

SUGGESTION MINISTER MEET WITH MEMBER FOR OSHAWA-WHITBY TO DISCUSS PROPOSALS TO DEAL WITH UNEMPLOYMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my supplementary question is for the Minister of Manpower and Immigration. On Monday in the House the minister said that he would "welcome input" from myself and my party dealing with unemployment and said that he had not heard from us on "how things might be improved." Notwithstanding the point that we have been presenting precisely such detailed proposals since last October, I should like to ask the minister if he would follow up his suggestion of Monday and agree to meet with me tomorrow morning or next day at his convenience to discuss in detail the kind of information he allegedly wants?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I commend once again to the hon. member that he read the answer to the question. I indicated in my letter to all members in dealing with allocation criteria under the Young Canada Works and Canada Works programs, the procedures we had used. If the hon. leader of the New Democratic Party had a better method or something he felt to be more equitable, I would be prepared to listen and take this to my officials. It was to that I was referring. I have not had one letter from the New Democratic Party on that particular subject.

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[*Translation*]

EXTERNAL AFFAIRS

SUGGESTION THAT CIDA BE MADE A DEPARTMENT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is for the right hon. Prime Minister.

Notwithstanding the appointment of Mr. Michel Dupuy as head of CIDA, thus replacing Mr. Paul Gérin-Lajoie, and considering the huge budget of this agency, can the Prime Minister tell the House whether he will introduce legislation to make this agency into distinct department?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, the government does not intend to do so.

Mr. Lambert (Bellechasse): I wish to ask a supplementary question, Mr. Speaker.

Since the Speech from the Throne made such an allusion, does this mean that the government changed its mind or is it simply for later?

Mr. Trudeau: Mr. Speaker, I am sorry but I do not understand the hon. member's question.

Mr. Lambert (Bellechasse): Mr. Speaker, my question might seem a little ambiguous, but in any event I understood that this matter had been dealt with in the Speech from the Throne. Has this scheme of making CIDA a separate department just been delayed or is it completely abandoned?

Mr. Trudeau: Mr. Speaker, the hon. member knows how much respect I have for monarchy. I would not want to say that what he thinks was said in the Speech from the Throne was not in it but, if I am not mistaken, this point was not mentioned in the Speech from the Throne, with all due respect to Her Majesty.

* * *

[*English*]

POLYSAR

ALLEGATIONS IN JUDGE AYLESWORTH'S REPORT—GOVERNMENT ACTION TO DISCIPLINE COMPANY OFFICIALS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of Finance. I hope that he has had a chance to read the Aylesworth report concerning Polysar. Since the minister told the House in November when the matter was first raised that in his opinion there was no impropriety in the actions of Polysar, will he now reconsider and withdraw that remark and admit to the House that behaviour based on what you can get away with is not propriety?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the hon. gentleman is not quite right. I was quoting the statement of the auditors and legal counsel of Polysar.

Mr. Clarke: What action will Canada, as the largest shareholder in CDC which controls Polysar, take to discipline the officials responsible for the behaviour complained of?

Mr. Macdonald (Rosedale): Mr. Speaker, the board is responsible for this and we have nominees on the board. I received the report just before coming into the House. I would have to look very fully at the allegations. It may well be that the officers in question of the company will have to be subject to censure or other action by the board, but I reserve my opinion on that question until I have had a chance to examine the document.

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[*Translation*]

HOUSE OF COMMONS

DATE OF ANNOUNCEMENT OF BY-ELECTIONS

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Prime Minister.

Since all of us are conscious of the six vacancies to be filled in this House, six ridings not being represented at the present time, and in view of the recent visit of the Prime Minister to Quebec City where he probably got some pertinent information, could the Prime Minister tell the House, in the interest of the people who are not represented, whether he will soon announce the by-elections and, if so, does he intend to announce by-elections in the six ridings involved?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, my intention is to stick to the official regulations and to announce the date of the by-elections within the time requirement provided by the legislation, but if I have delayed this announcement, it was to give the hon. member for Joliette and the leader of his party the opportunity to strengthen their relations with the PQ.

* * *

[*English*]

EXTERNAL AFFAIRS

CUBA—SUGGESTED RECONSIDERATION OF RELATIONSHIP IN VIEW OF SUPPORT OF RHODESIAN GUERRILLAS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is also for the Prime Minister. In view of the massacre of missionaries in Rhodesia by guerrillas, and in view of the admission by Cuban officials that their Montreal offices are used for training guerrillas and the fact that these guerrillas are destined for Rhodesia and carry on continuing murder and harassment of missionaries, will the Prime Minister reconsider Canada's relationship to Cuba as well as its generous financial and material aid to that country?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. I believe that the question is based on a *non sequitur*. He might just as well ask if we are going to reinforce our delegation to the Vatican and help from that side.

Some hon. Members: Oh, oh!

Mr. Munro (Esquimalt-Saanich): What a stupid answer!

• (1430)

RHODESIA—GOVERNMENT ACTION TO PROTEST SLAUGHTER OF MISSIONARIES

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. If the government is not willing at least to reassess our aid program to Cuba in light of the fact that that country is training guerrillas in Rhodesia, will the minister at least tell this House and the Canadian people what steps the Canadian government is taking to express the outrage of Canadians at the slaughter of missionaries in Rhodesia?

Some hon. Members: Hear, hear!

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, perhaps the most appropriate place in

which to do that is here, and I am perfectly delighted to say at this time that I find the conduct shocking, reprehensible and every other condemnatory adjective one could imagine. In so far as what action we can take I will examine the appropriate avenues through which we can make representations, but whether these will be conveyed directly to those responsible it is difficult to say. However, certainly there is no question about our attitude.

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THE CANADIAN ECONOMY

POSSIBILITY OF LABOUR, BUSINESS AND GOVERNMENT DISCUSSING ECONOMIC PROBLEMS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Finance. Can the minister tell the House whether it is still government policy to establish a national forum including labour, business and government, which definite proposal was put forward by the Minister of Labour on October 28 last?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the hon. gentleman might look at my answers of last week to his leader, and he will see that we have active negotiations under way for a multipartite meeting with business, labour and provincial representatives.

Mr. Fraser: I asked that question because I looked at the minister's answers, and on January 28 the minister said that there was no definite proposal in this regard. Perhaps the minister could explain that.

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. We are in the process of discussions with the various groups, and we have recommended to them that they should be prepared to meet at such a generalized meeting. As I said on the 28th, we have not insisted on a single formula in this regard, and we have sought from them some response as to the manner in which they feel they can most effectively represent the various viewpoints they do. The objective remains, however, to try to bring about a substantial consultation of all the economic decision makers.

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ATOMIC ENERGY OF CANADA LIMITED

RENEGOTIATION OF CONTRACT WITH MR. EISENBERG AND WITH MERUBENI—GOVERNMENT POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Press reports indicate that the Auditor General has expressed dissatisfaction with the accounting procedures in that part of the agreement between Mr. Shaul Eisenberg and AECL with respect to the yearly payments to be made to Mr. Eisenberg during the post-contract period. Objections have also been made by the Auditor General with respect to the reporting of expenditures by Mr. Eisenberg in the event of a second CANDU reactor being sold to South Korea, in which case Mr. Eisenberg would be the sole and exclusive agent of AECL.

Is the minister prepared to urge AECL to renegotiate these two aspects of the agreement with Mr. Eisenberg, and will he guarantee that in such a renegotiated agreement there will be complete provision for the accounting standards and the levels of documentation to be acceptable to the Auditor General?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, there have been discussions between myself and senior officers of the corporation, just as there have been discussions between senior officers of the corporation and Mr. Eisenberg with respect to this matter. I believe there will also be discussions between the senior officers at AECL and the Auditor General's department, and that is for two reasons: he is the Auditor General of Canada, and he has reported on these questions—indeed, before the committee he made certain comments, to which the hon. member has referred—and the second reason is that he is the auditor of the corporation.

Miss MacDonald: Have minutes been kept?

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, reports indicate that the agreement between AECL and AECL's agent in Japan, the Merubeni Company, are being renegotiated with respect to that company's role as an agent for AECL. In view of the Prime Minister's statement on December 2 that the guidelines enunciated by the President of the Treasury Board merely formalized the existing conditions, why was it necessary to renegotiate the agreement? What are the changes which have been made in the agreement, and would the minister assure us that in that negotiated agreement with Merubeni the accounting procedures and the documentation levels will be discussed with the Auditor General in order to ensure that they are acceptable to him?

Mr. Gillespie: On the last point I think it would be premature to seek that kind of assurance from the Auditor General. In fact, I am not sure whether the nature of the agreement provides for detailed documentation. I have had an opportunity—although, regrettably, only a rather brief one—to read the transcript of the hearings of the Public Accounts Committee earlier this week. As I recall, there was a good deal of questioning on the part of members to the senior officer, Mr. Campbell, the chairman of AECL, seeking an understanding of why there was a renegotiation of the Merubeni agreement, and I believe that Mr. Campbell provided his reasons in some considerable detail. However, if they are not as detailed as the hon. member would like them to be, I will seek further explanations from Mr. Campbell.

REASON FOR RENEGOTIATING CONTRACTS WITH AGENTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I wonder if the minister would clarify the point. Since the Prime Minister said on December 2 that the guidelines which had been laid down for Crown corporations merely formalized

existing conditions, why was it necessary to renegotiate the agreement, and in what respect was the agreement renegotiated? Surely the minister can give us a clear statement on that.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): There is an obvious inference in the premise of the hon. member's question that this was formalizing the status quo. Quite clearly, the guidelines which the Prime Minister tabled in the House were to do a lot more than formalize the status quo. They were a new set of guidelines which would apply to Crown corporations in their appointments of agents and the process of appointing agents.

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CANADIAN PACIFIC RAILWAY

COMMUTER SERVICE IN MONTREAL AREA—REQUEST FOR REPORT

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my question is for the Minister of Transport. He will recall the motion proposed last Thursday, which received the support of all hon. members on this side of the House, that he intercede with the officials of the Canadian Pacific Railway in an effort to prevent or at least delay the implementation of cuts in commuter passenger train service west of Montreal. Has the minister been in contact with CPR company officers, and if the answer is in the affirmative, can he report to the House the results of his conversations?

Hon. Otto E. Lang (Minister of Transport): Yes, Mr. Speaker. Following the strong expression of opinion, certainly from this side, but generally from all parts of the House, I made contact with Canadian Pacific, as indeed did the provincial minister. I am now informed that Canadian Pacific will retain three trains on the run beyond Vaudreuil and not cut the number to one as was previously announced.

Some hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

CUBA—SUGGESTED PROTEST OF ACTION IN UNDERMINING GOVERNMENTS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs, and it has to do with the outrageous conduct of Cuba in mobilizing insurgents in various countries and thereby contravening fundamental canons of international relationships. Apparently canoodling with Castro has produced no results, and I ask the minister therefore whether he will not, on behalf of Canada, send a protest regarding Cuba against this type of conduct in which Cuba acts as a puppet of the U.S.S.R. in undermining governments all over the world.

Some hon. Members: Hear, hear!

● (1440)

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I want to thank hon. members on the opposite side for that splendid round of applause when I rose.

Some hon. Members: Hear, hear!

Mr. Jamieson: It is not often that I can tell the right hon. gentleman that I have anticipated him, but I can assure him that on at least two separate occasions recently I have made the strongest possible representation—

An hon. Member: In public?

Mr. Jamieson: Is anything more public than the House of Commons in which I am giving the right hon. gentleman my answer? I believe I answered the question during what I may call the unavoidable absence from the House of the right hon. gentleman. I believe I answered it before. I made it perfectly clear to the Cuban authorities that Canada wishes to be clearly on record as opposing their intervention in Angola—

Mr. Rodriguez: What about the intervention of the CIA in Chile?

Mr. Jamieson: —and has indicated to them, as well, that their troops should be withdrawn from Angola as quickly as possible.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, I have not been here, for a very good reason.

Mr. Jamieson: I said, unavoidable.

Mr. Diefenbaker: I have read every line of *Hansard* and I have yet to read an answer by the minister that there has been a protest made to the government of the U.S.S.R., and also to Cuba, over this kind of working together to undermine responsible governments all over the world. Is Canada going to protest or are we still canoodling with Castro?

Mr. Jamieson: Mr. Speaker, I may have misunderstood the right hon. gentleman. I thought what he asked me in the first instance was whether representations had been made to Cuba. I do not know what the date was and I would be glad, if he wishes, to look it up in *Hansard*. I said, in connection with the reply, that I had given it in the House some weeks ago. However, I did not—

An hon. Member: What about more recently?

An hon. Member: You covered up.

Mr. Rodriguez: What about the CIA intervention in Chile?

Mr. Jamieson: With the greatest of respect to the right hon. gentleman, if not to me, he at least deserves a full reply to his question.

Some hon. Members: Hear, hear!

Mr. Jamieson: When some hon. gentlemen have been around here as long as the right hon. gentleman has been, they will learn that the advice he gave me was very good. It was, not to speak unless I had something worthwhile to say.

Some hon. Members: Hear, hear!

An hon. Member: Sit down then.

Mr. Jamieson: Mr. Speaker, to answer the right hon. gentleman, I have not made direct representations to the U.S.S.R. I thought his question was about Cuba, and in the case of Cuba I have done so.

Mr. Munro (Esquimalt-Saanich): When?

Mr. Jamieson: Within the last three or four weeks, certainly, and prior to that on another occasion, and I will be pleased to find the date. In so far as the U.S.S.R. is concerned I am sure, from other conversations I have had, that they are perfectly well aware of our position and I will be glad to make it more emphatic to them, if that is desirable.

Mr. Diefenbaker: Mr. Speaker, I have been here a long while, and watched the minister for whom I have great respect. This was the first time he completely lost his equilibrium.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Now that it has been restored, I ask him, what did Cuba say? What was the report and what was the summary of Cuba's reaction to this protest on the part of the minister?

Mr. Munro (Esquimalt-Saanich): Silence.

Mr. Jamieson: Mr. Speaker, I do not think that is the kind of answer I can give in the question period. Incidentally, if I have lost my equilibrium, I can only say that if the right hon. gentleman has read every word of *Hansard* this last little while, perhaps he has, too. I have the same problem, because I have been reading his books.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Jamieson: I will concede that the books are substantially more interesting than *Hansard*. In any event, as the right hon. gentleman knows from his long experience, these matters are delivered and presented to the emissaries of the foreign country. There is not at that time anything other than an acknowledgement of receipt of the protest. I will have to inquire, to see whether within recent days there has been any written response.

[Mr. Jamieson.]

CANADIAN NATIONAL RAILWAYS

SUGGESTED PURCHASE OF STEEL RAILS FROM SYDNEY STEEL PLANT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question for the Minister of Transport who reports for Canadian National Railways has to do with the purchase of steel rails by Canadian National Railways from Sydney Steel Corporation, a matter which I have raised previously and which, apparently on one occasion, the Prime Minister considered with favour. Since we have had massive lay-offs of steelworkers from the Sydney steel plant, would the minister investigate the report that Canadian National is purchasing rails from Colorado Fuel and Iron in Pueblo, Colorado? If this report is correct could he, as minister responsible, try to have these rails purchased from SYSCO, in order that we can get our steelworkers back to work?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, of course I will investigate the report, but I ought to say right now, in order to meet the suggestion that there may be truth to the report, that I am convinced the report is completely untrue. Following meetings I had with my colleague, the government House leader, and meetings I had with people from the Sydney area, I held discussions with Dr. Bandeen. He was very much concerned about the position of SYSCO and the employees of that region, and he entered into immediate discussions with SYSCO. I have not had a detailed report about the complete conclusions of those discussions but look forward to receiving it soon.

Mr. Muir: A supplementary question, Mr. Speaker. I thank the minister for his reply. It is true that there have been discussions. Indeed, an order was placed for slightly more than 79,000 tons of rail, which is trivial. If we are purchasing rails from American firms and our steelworkers are walking the streets, indeed, some of them losing their homes, would the minister and the government not impress on Canadian National Railways that we should "buy in Canada first" on this occasion when over one million of our people are unemployed?

Mr. Lang: Mr. Speaker, it was obvious from my answer that that, certainly, is my view as well. I really think it would be better not to found questions and answers on a rumour about a certain action until we have checked the facts, otherwise we may unnecessarily concern people and influence unfavourably their attitudes toward the railway.

Mr. Muir: The situation could hardly be worse. Workers are losing their homes.

* * *

NATIONAL DEFENCE

CADET UNIFORMS—REQUEST FOR STATEMENT OF POLICY

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Minister of National Defence. I wonder if the minister, instead of referring outside the House to a

program which repudiates an undertaking given by his predecessor, would be prepared to make a statement on motions about the government's policy relating to cadet uniforms?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I do not think there is any need for a statement on motions. The decision has been made. It was pending for some time. It caused some people concern; however, in general I am certain that it will be to the benefit of all the cadet forces and the armed forces with which they are identified.

An hon. Member: Nonsense!

Mr. Munro (Esquimalt-Saanich): A supplementary question, Mr. Speaker. I echo the comment, that it is nonsense. In light of the serious unemployment facing Canada and the crisis through which the Canadian fibre and textile industry is going, is the minister not prepared to review this undertaking and live up to his predecessor's undertaking, in order that naval and air cadets may go on wearing the uniform they prefer?

Mr. Danson: No, Mr. Speaker, I do not intend to review the matter. I have had discussions with leaders of cadet leagues. All are not happy with the decision. But I am sure our youth will be challenged more by meaningful, exciting programs than by the uniform. I think they want to be more in line with the thinking of the twentieth century, and how the armed forces are conducted today rather than how they have been conducted.

Mr. Hees: You mean, they will forget the old uniform.

* * *

AIRPORTS

MIRABEL—PLAN TO COVER OPERATIONAL LOSS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Minister of Transport. In view of the reports of senior airline officials saying that Mirabel airport will lose nearly $50 million in the year ending March 31, 1977, because of the federal government's faulty planning with regard to the number of passengers who would use the airport, and since the ministry of transport is now considering who should absorb the loss, can the minister say if he agrees with the estimate, with the figure I mentioned, and indicate what party or parties will be absorbing the losses incurred as a result of his own department's error with respect to this éléphant blanc?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, passenger arrivals at Mirabel did not reach the levels which it had been thought might have been reached, for several reasons, including the general drop in air travel in North America as compared with trend line projections. The reason also has to do with certain local transportation difficulties and inconveniences.

Mr. Hees: It's too far from Mirabel.

Mr. Lang: I am referring to connecting services to the west to Montreal from Mirabel. The result is a figure carried, you might say, as an actual accounting figure of a total loss in the area of perhaps $47 million. I should emphasize that of that amount, $43 million is an item carried as the interest charge on the construction costs. It is carried as part of the full analysis of our major airports and air costs. The amounts involved are related directly to the airport revolving fund against the principle that we generally should be very clear about the cost of maintaining these major airports as a facility for air travel.

● (1450)

Mr. Hnatyshyn: Mr. Speaker, the minister did not address himself to the part of the question as to who will be paying for this very substantial loss, including the interest carry over. Will the minister indicate what plans he or the department have to bring this up to a break-even proposition at least, if he is in fact introducing a user-pay concept? Is he going to move more flights from Dorval? Is that his plan?

Mr. Lang: Mr. Speaker, the whole question of the use of Mirabel is under examination in terms of the speed with which various flights should be brought into that airport in order to give the best service to people and, indeed, to add more connecting flights at Mirabel to encourage its use, thereby avoiding an overloading of other airports such as Malton and Dorval. The accounting figure, which this year shows as a loss, is really based on the difference between costs and revenues, including the total interest charge on the original construction. That was balanced in the same way in other years in other airports where a net figure is shown and where there is a surplus. The total of these amounts in the airport revolving fund approach is, of course, carried and progressively in due course will more closely be charged to those who use airport facilities where there is high capacity. That is the plan. That is the intention. Frankly, the total airport service is best paid for in that manner rather then put upon the backs of those who may choose to ride the bus and who may indeed be your average Canadian.

* * *

THE ESTIMATES

DATE OF TABLING

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the President of the Treasury Board. Can the minister give a more precise indication today as to when he expects to table the main estimates because as time goes on, we run into a much shorter season. May 31, which is the date the guillotine falls, is not that far away.

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, my present plans are to table the estimates on February 16.

Oral Questions

SMALL BUSINESS

REQUEST FOR EXEMPTION FORM IMPORT QUOTAS ON TEXTILES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is to the Minister of State responsible for small businesses. In view of the fact that thousands of small and specialty import shops, who by the way are in no way attempting to compete with the large textile industry, are in fact on the verge of extinction as a result of having to comply with the government's new import quotas on textiles, can the minister advise whether he has made any representations to the Minister of Industry, Trade and Commerce to have these quotas exempt for the small businessman in order to allow this large group to survive.

Hon. Len Marchand (Minister of State (Small Businesses)): Mr. Speaker, I thank the hon. member for giving me notice of the question. We have been extremely concerned about the effects of this policy on the small business community. With regard to the allocation of the quotas and the treatment of the so-called hardship cases, I think we have treated them very well. In the short time available to me I cannot give the hon. member a complete rundown. However, I would be happy to do so later if he wishes. If he knows of any particular cases or groups of cases he would like me to look into, I would be happy to help him.

Mr. Jelinek: Being responsible for small businesses, surely the minister must know there are thousands of companies across the country that are on the verge of dropping out. Has the minister asked the Minister of Industry, Trade and Commerce to exempt these companies from the quotas, whether these exemptions will in fact take place and when can the small businesses which are hanging on expect these exemptions to take place? They cannot last much longer and the minister knows that.

Mr. Marchand: Mr. Speaker, I would be happy to give the hon. member a detailed rundown later. However, I am satisfied that the small business people who are involved as a result of this new policy are being treated as fairly as possible. I am advised that there is undoubtedly some hardship, but it is being kept to a minimum.

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FISHERIES

ALLEGATION FOREIGN DRAGGERS WITHIN TWELVE-MILE LIMIT—GOVERNMENT ACTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is to the Minister of the Environment. The ever-recurring epidemic of foreign draggers is again in evidence on the southwest and west coasts of Newfoundland. I would point out that some nations that will not honour any agreement are fishing within the 12-mile limit. Has this been brought to the attention of the minister and, if so, what action has he taken?

[Mr. Andras.]

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I thank the hon. member for his courtesy in sending me a note at the beginning of the question period. I asked my parliamentary secretary to look into this question. He informs me that one of our patrol vessels is in the area indicated by the hon. member. One of our planes has flown over it. At this point they have not located any foreign vessel in the zone mentioned.

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NATIONAL DEFENCE

REQUEST FOR EXTENSION OF FISHERIES PATROLS IN NEWFOUNDLAND AREA

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I will direct my supplementary question to the Minister of National Defence. There was no reaction to a statement by the fishermen which points out the fact that in deploying surveillance and patrol capability to Newfoundland, the minister left the widest area of Newfoundland without protection. Will the minister reconsider his decision and extend the surveillance and patrol capability to include the west and southwest coasts which is the largest area?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, if there are any situations that have not been covered, we would certainly like to know about it. Our patrols go where they are requested to go by the Department of Fisheries. That area is not left uncovered. Indeed, it is well covered from Summerside, P.E.I. as well as from other operations. If I recall correctly, basically it is within the jurisdiction of our patrol aircraft from Summerside, P.E.I. when it is requested.

* * *

[*Translation*]

EXTERNAL AFFAIRS

POSSIBILITY OF OPPOSITION TO NOMINATION OF MARIO ARNELLO AS CHILEAN AMBASSADOR TO CANADA

Mr. Louis Duclos (Montmorency): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

Could the minister tell the House whether the government intends to oppose the nomination of Mr. Mario Arnello as Chilean ambassador to Canada because of his alleged fascist background and his admitted activities in the secret police of General Pinochet?

[*English*]

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I have had this question called to my attention. To date, however, there is no official action that has been taken because to the best of my knowledge no formal request for accreditation has taken place. I will make further inquiries and advise the hon. member.

● (1500)

ROUTINE PROCEEDINGS

[*English*]

ADMINISTRATION OF JUSTICE

TABLING OF REPORT ON ABORTION LAW

Hon. Ron Basford (Minister of Justice): Mr. Speaker, under the provisions of Standing Order 41(2), I should like to table, with my thanks to Dr. Robin Badgley, Dr. Marion G. Powell and Denyse Fortin Caron, in both official languages the report of the committee on the operation of the abortion law, and a summary thereof.

* * *

INCOME TAX ACT

BILL C-22—MOTION UNDER S.O. 75C

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I gave notice yesterday of my intention to propose a motion under Standing Order 75C for the purpose of allocating time on Bill C-22, an act to amend the Income Tax Act. As the House knows, this bill has now been under debate—

Mr. Speaker: Order. The minister, having given notice yesterday in accordance with the Standing Order is, of course, at liberty to move the motion today, but I wonder whether the House would agree that before he proceeds we should dispose of questions on the order paper and notices of motions for the production of papers. Is that agreed?

Some hon. Members: Agreed.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,020, 1,024, 1,093, 1,094, 1,125, 1,126, 1,127, 1,129, 1,136, 1,271, 1,272, 1,290 and 1,305.

[*Text*]

UIC—RECIPIENTS IN YORK-SUNBURY CONSTITUENCY

Question No. 1,020—**Mr. Howie:**

As of November 1, 1976, how many persons in the Constituency of York-Sunbury were receiving Unemployment Insurance?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: as of November 1, 1976, 3,473 (estimated figure.)

Order Paper Questions

CANADA MANPOWER CENTRES—REGISTERED CLIENTS

Question No. 1,024—**Mr. Howie:**

As of November 1, 1976, how many persons in the Constituency of York-Sunbury were registered for employment with local Canada manpower offices?

Hon. Jack Cullen (Minister of Manpower and Immigration): Approximately 5,600. Because the area served by the Fredericton Canada Manpower Centre does not include all of the Constituency of York-Sunbury, registered clients residing in Sugar Brook, McAdam and Ste. Croix are excluded from this figure. Conversely, the Canada Manpower Centre serves a portion of the constituency of Fundy-Royal and the above figure includes registered residents of Bronson, Chipman, Newcastle Creek, Cumberland Bay, Newcastle Bridge and Minto.

UIC—CLAIMS FOR INSURANCE AT FREDERICTON, N.B.

Question No. 1,093—**Mr. Howie:**

For the fiscal year ended March 31, 1976, how many claims for unemployment insurance made at Fredericton, New Brunswick were (a) accepted (b) rejected?

Hon. Jack Cullen (Minister of Manpower and Immigration): (a) 12,653 claims for which benefits were paid; (b) 2,016 claims for which no benefits were paid.

CANADA MANPOWER CENTRES—REGISTERED CLIENTS

Question No. 1,094—**Mr. Howie:**

1. For each month from April 1, 1975 to November 1, 1976, how many persons were registered for employment at each Manpower office in (a) Woodstock (b) Fredericton (c) Minto, New Brunswick?

2. What is the breakdown for each office?

Hon. Jack Cullen (Minister of Manpower and Immigration):

	1975		1976	
1.	April	8782	January	6713
	May	9526	February	7882
	June	8261	March	6943
	July	6584	April	8238
	August	6487	May	8835
	September	5929	June	8387
	October	5250	July	6789
	November	5321	August	7264
	December	6018	September	7089
			October	5005
			November	5711

	1975	(a) Woodstock	(b) Fredericton	(c) Minto
2.	April	1491	6173	1118
	May	1910	6422	1194

Order Paper Questions

1975	(a) Woodstock	(b) Fredericton	(c) Minto
June	1357	5846	1058
July	1229	4598	757
August	1234	4334	919
September	1089	3906	934
October	884	3564	802
November	962	3645	714
December	1167	3981	870
1976			
January	1339	4358	1016
February	1353	5212	1317
March	1395	4888	660
April	1488	6185	565
May	1513	6443	879
June	1275	6602	510
July	1164	4855	770
August	1049	5591	624
September	832	5476	781
October	743	3561	701
November	818	4173	720

RESEARCH ON THE EFFECTS OF CARBON BLACK ON HUMAN HEALTH

Question No. 1,125—**Mr. Yewchuk:**

What research projects is the Department of National Health and Welfare sponsoring or conducting on the effects of Carbon Black (food grade) on human health?

Hon. Marc Lalonde (Minister of National Health and Welfare): At present, the Department of National Health and Welfare has underway studies to assess the polycyclic aromatic hydrocarbon (PAH) content of samples of food grade carbon black presently used in Canada. Results of this study are not yet available. Recently, the U.S. has placed restrictions on the most common methods of producing food grade carbon black. There is evidence in the literature to suggest that the carbon black may actually protect experimental animals from the effects of PAH impurities. The Department of National Health and Welfare, in addition to conducting studies, is continuously surveying world literature on carbon black.

STUDIES ON CO-CARCINOGENS IN CANADIAN FOOD SUPPLY

Question No. 1,126—**Mr. Yewchuk:**

What research projects is the Department of National Health and Welfare sponsoring or conducting on the possible existence of co-carcinogens in the Canadian food supply?

Hon. Marc Lalonde (Minister of National Health and Welfare): The Department of National Health and Welfare has ongoing research programs to identify co-carcinogens in the food supply. These programs involve testing of food additives, environmental contaminants, pesticides and natural toxins, for potential mutagenic (carcinogenic) effects both singly and in combination with known carcinogens or mutagens. Analytical methods are being used in an attempt to identify suspect co-carcinogens in foods and food additives. These research programs also involve extensive review and evaluation of world literature on co-carcinogenesis on a continuous basis. This includes maintaining liaison with experts in the WHO and FAO, U.S. National Cancer Institute and the International Agency for Research on Cancer in Lyon, France. Scientists of the Department serve as advisors and consultants to these groups with respect to carcinogenesis in general.

[Mr. Cullen.]

RESEARCH ON COMBINATORY EFFECTS OF ADDITIVES IN THE CANADIAN FOOD SUPPLY

Question No. 1,127—**Mr. Yewchuk:**

What research projects is the Department of National Health and Welfare sponsoring or conducting on the combinatory effects of additives in the Canadian food supply?

Hon. Marc Lalonde (Minister of National Health and Welfare): The Department of National Health and Welfare does not have a research program specifically on the combinatory effects of food additives in the Canadian food supply. To be effective, such a program would require massive concentration of resources and is feasible only on an international scale. Attempts are being made by Canada and other countries, to initiate international collaboration on such research. However, the department tests many food additive combinations as part of the research programs on co-carcinogens in the food supply (See Parliamentary Inquiry No. 1126). In addition, departmental scientists continuously monitor world literature to obtain all available information on the combinatory effects of food additives.

RESEARCH ON THE EFFECTS WHICH ARTIFICIAL FOOD ADDITIVES MAY HAVE ON HUMAN MOODS AND EMOTIONS

Question No. 1,129—**Mr. Yewchuk:**

What research projects is the Department of National Health and Welfare sponsoring or conducting on the effects which artificial food additives may have on human moods and human emotions?

Hon. Marc Lalonde (Minister of National Health and Welfare): Changes in human moods or emotions may be associated with allergenicity and/or hyperkinesis and behavioral problems. The Department of National Health and Welfare, in conjunction with an outside agency through a health grant, is sponsoring a research program to identify food constituents which may be responsible for the induction of hyperkinetic states or learning difficulties in children. Children are being tested for allergies to certain food components, and will be tested for allergies to food additives when adequate analytical methods are available. Such methods are currently being developed by departmental scientists. The Department is fully aware of world research on the possible relationship between food additives and mood changes, including mood changes associated with hyperactivity. The matter of artificial food additives and the effects they may have on human moods and emotions has previously been discussed in the House of Commons during private member's hour, October 29, 1976. At that time, a summary of information currently available was outlined.

COSTS ON DEPORTATION

Question No. 1,136—**Mr. Robinson:**

What amount has the government spent on effecting deportation cases in the years 1974 to date?

Hon. Jack Cullen (Minister of Manpower and Immigration):

Costs on:	Transportation	Detention
for 1974-75	$ 984,713	$ 562,802
1975-76	$1,383,923	$ 900,666
1976-77	$1,675,000	$1,238,200

Total costs $6,745,304

ADMINISTRATIVE COST OF THE FAMILY ALLOWANCES PROGRAMME

Question No. 1,271—**Mr. Herbert:**

What is the administrative cost of the Family Allowances Programme?

Hon. Marc Lalonde (Minister of National Health and Welfare): The approximate administrative cost of the Family Allowances Programme for the fiscal year 1975-76 is $11,343,000.

ADMINISTRATIVE COST OF OLD AGE

Question No. 1,272—**Mr. Herbert:**

What is the administrative cost of the Old Age Security Programme and of this amount, how much is estimated to be the cost of the administration of the supplementary payments?

Hon. Marc Lalonde (Minister of National Health and Welfare): The approximate administrative cost of the Old Age Security Programme for the fiscal year 1975-76 is $18,167,000. The estimated cost of the administration of the supplementary payments (the Guaranteed Income Supplement and the Spouse's Allowance) is $9,759,000 of the previous total.

SITE UTILITIES AT ENVIRONMENT CENTRE IN ST. JOHN'S, NEWFOUNDLAND

Question No. 1,290—**Mr. McKinley:**

What was the final cost and the completion date for the contract awarded on October 2, 1975 to McNamara Corporation of Newfoundland Ltd. to provide site utilities at the Environment Centre in St. John's?

Mr. Alexandre Cyr (Parliamentary Secretary to Minister of Public Works): Estimated final contract cost, $2,260,000. Anticipated completion date, March 31, 1977. The actual date of contract award was September 17, 1975.

Order Paper Questions

PHILOSOPHICAL IMPLICATIONS OF THE LIFESTYLE PROGRAMME

Question No. 1,305—**Mr. Yewchuk:**

1. What extramural studies were commissioned by the Department of National Health and Welfare on the philosophical implications of the Lifestyle Programme?

2. What were the titles and authors of papers produced as a result of such studies?

3. What was the cost of such studies?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1 and 2. A report entitled "The Ethical Aspects of Government Intervention Into Individual Behaviour" was prepared by Professor Rodrigue Johnson while under contract to the Department. The report was produced within the context of Professor Johnson's over-all responsibility to provide advice on various social dimensions and implications of departmental programs aimed at preserving or improving the health of Canadians through changes in their lifestyle and environment.

3. It is not possible to isolate the cost of Professor Johnson's work on the report from the other activities he undertook while under contract.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 757 could be made an order for return, that return will be tabled immediately.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Text*]

REGISTRATION OF FIREARMS

Question No. 757—**Mr. Brisco:**

1. Did provincial registrars of firearms, in 1974 and 1975, come to Ottawa to discuss registration of firearms or of gun owners with the Solicitor General, Minister of Justice or with members of their staff and, if so, by province (a) how many (b) who were they (c) from what cities, towns or communities (d) how were they invited and who invited them (e) on what dates?

2. What was the total cost of travel and expenses for all provincial firearm registrars and who bore the cost?

3. (a) What specific recommendations did they make to federal officials regarding gun control and/or firearms or firearm owner registration (b) how many were subsequently accepted or adopted by the Office of the Solicitor General or the Minister of Justice (c) how many appeared in Bill C-83 of the First Session of the 30th Parliament and, in what form?

4. (a) How many air, army and navy cadets now receive weapons training (b) what weapons are they trained to use (c) in what location does such training take place (d) who are the instructors and what background for teaching and training in weaponry has each (e) what is the minimum age of the cadets in each branch (army, navy and air) that receives such training (f) what is the (i) average (ii) maximum age?

Return tabled.

[*English*]

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

Some hon. Members: Agreed.

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MOTIONS FOR PAPERS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notices of motions Nos. 2, 20, 21, 25, 46 and 47?

[*Text*]

COPIES OF MINUTES OF MEETINGS OF INTERDEPARTMENTAL TASK FORCE AND MATERIALS PERTAINING TO SEARCH AND RESCUE OPERATIONS

Motion No. 2—**Mr. Marshall:**

That an Order of the House do issue for copies of the minutes of all meetings of the interdepartmental task force on integration of government vessels and aircraft and copies of all materials considered by the committee pertaining to search and rescue operations and the patrolling and surveillance of Canada's coastal waters.

[*English*]

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the documents requested are internal departmental documents of a confidential nature and cannot be produced. I would therefore ask the hon. member to withdraw his motion.

Mr. Speaker: Transferred for debate.

[*Text*]

COPIES OF ALL CORRESPONDENCE RELATING TO ACQUISITION OF DeHAVILLAND AICRAFT CORP.

Motion No. 20—**Mr. Whiteway:**

That an Order of the House do issue for copies of the minutes of all meetings, correspondence, telegrams, contracts and/or agreements considered by the government in the acquisition of DeHavilland Aircraft Corp.

[*English*]

Mr. Speaker: Shall the motion stand?

Some hon. Members: Agreed.

Mr. Speaker: The motion stands.

[*Text*]

COPIES OF ALL CORRESPONDENCE RELATING TO CANADAIR AIRCRAFT CORP.

Motion No. 21—**Mr. Whiteway:**

That an Order of the House do issue for copies of the minutes of all meetings, correspondence, telegrams, contracts and/or agreements considered by the government in the acquisition of Canadair Aircraft Corp.

[*English*]

Mr. Speaker: Shall the motion stand?

Some hon. Members: Agreed.

Mr. Speaker: The motion stands.

[*Text*]

COPIES OF ALL MINUTES OF MEETINGS AND MATERIALS CONSIDERED BY COMMITTEE ON SEARCH AND RESCUE OPERATIONS, LAKE WINNIPEG

Motion No. 25—**Mr. Whiteway:**

That an Order of the House do issue for copies of the minutes of all meetings of the interdepartmental task force on integration of government vessels and aircraft and copies of all materials considered by the committee on search and rescue operations and the patrolling of Lake Winnipeg.

[*English*]

Mr. Speaker: Shall the motion stand?

Some hon. Members: Agreed.

Mr. Speaker: The motion stands.

[*Text*]

COPIES OF FILES IN THE POSSESSION OF DEPARTMENT OF SOLICITOR GENERAL RELATING TO PRAIRIE FARM ASSISTANCE ACT ADMINISTRATION

Motion No. 46—**Mr. Towers:**

That an Order of the House do issue for a copy of the contents of the file or files in the possession of the Department of the Solicitor General and/or the Royal Canadian Mounted Police relating to the investigation concerning Prairie Farm Assistance Act administration.

[*English*]

Mr. Speaker: Shall the motion stand?

Some hon. Members: Agreed.

Mr. Speaker: The motion stands.

[*Text*]

COPIES OF ALL PAPERS RELATING TO DISCUSSIONS BETWEEN THE GOVERNMENT AND GOVERNMENTS OF THE UNITED STATES, FRANCE AND DENMARK IN REGARD TO 200-MILE LIMIT

Motion No. 47—**Mr. Crouse:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all documents, minutes of meetings, telegrams, etc., relating to the discussions between the government and the governments of the United States, France and Denmark, with regard to the proposed 200-mile limit.

[*Translation*]

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, several public statements describe the results of the negotiations in which the government of Canada has participated in this field. The requested documents deal with discussions between Canada and foreign governments. Their publication would be detrimental to the position held by Canada during those negotiations, which are still going on. It is therefore with the deepest regret that I ask the hon. member to withdraw his motion.

Mr. Crouse: Agreed.

Mr. Speaker: Transferred for debate.

ROUTINE PROCEEDINGS

[*English*]

INCOME TAX ACT

BILL C-22—MOTION UNDER S.O. 75C

Hon. Donald S. Macdonald (Minister of Finance) moved:

That in relation to Bill C-22, an act to amend the statute law relating to income tax, one sitting day shall be allotted to the further consideration and third reading and passage stage of the bill; that at the end of the said sitting day any proceedings before the House shall be interrupted if required for the purpose of this order, and any question then necessary in order to dispose of the third reading and passage stage of the bill shall be put forthwith and successively without further debate or amendment.

He said: Mr. Speaker, Bill C-22 and the budget proposals which that bill contains have been before the House since May 25, and in addition to the nine sitting days on which the bill has been under debate in the House during the current session the proposals which the bill embodies were the subject matter of six days' debate during the course of consideration of the budget last spring. In the circumstances, I think one can fairly say that this period of time, including the day involved in the order now before the House, will amount to a full two weeks of House sittings and that this is more than ample time for the House to consider and debate these proposals.

It has, however, ceased to be a question of debate at this point. The hon. member for Nickel Belt (Mr. Rodriguez) has indicated an intention to take all the future time of the House in debating this particular matter: I would refer hon. members to his speech in the course of the debate on Monday last. So we are no longer to have any debate on this question but are to be treated to a monologue by the hon. gentleman for the balance of this week. In these circumstances, it seems to me unreasonable to other members, to our conduct of the business of the House and, indeed, to the hundreds of thousands, if not millions, of Canadians who are waiting to complete their income tax returns to further prolong the period during which the measure would be under debate. It is for these reasons I seek the support of the House to bring to an end the third reading and final stage after one further full sitting day.

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened to the minister trying to justify the motion today by saying, first, that this matter had been before the House since the budget speech in May of 1976, and I began to wonder why we have waited from the first part of the session to bring it on. That is the first question in my mind. I do not want to defend the hon. member for Nickel Belt (Mr. Rodriguez), but I think that what really happened in terms of the planning of the House is that the Minister of Finance (Mr. Macdonald) has been caught with his pants down. That is really the difficulty in which the government finds itself. Of course there have been six days of debate on the budget speech. That is not unusual. It is hardly justification for a closure motion by the government. The rules of the House call for that, and I do not know how the minister can use that as justification for bringing in a closure motion.

If there is a filibuster—and I think there is a filibuster by the NDP, in particular by the hon. member for Nickel Belt—then the blame for that filibuster lies in the hands of the government. The government made the difficulty. I assume the Minister of Finance, who is a former House leader—in fact, he was the House leader who pushed through the rules and Standing Orders of this House under which we are operating and which he is now seeking our permission to use—would have known that the first opposition speaker would have the right of unlimited debate under Standing Order 31. I would therefore have assumed he would have planted a speaker—they plant questions from time to time, Mr. Speaker—who could justify the beginning of the proceedings.

Mr. Macdonald (Rosedale): That would have to be an opposition speaker.

Mr. Baker (Grenville-Carleton): In any event, he knew full well, from the way the debate had been handled by the official opposition, that we had no intention of prolonging the matter. As he reviews the course of the debate, he will see that our party had taken the position that the matters contained in the bill, the help it gives to business, the parts dealing with changes for day care, and other things the minister referred to the first time he asked for closure with respect to this matter, are of some importance to this party. What we have is the Minister of Finance coming before the House of Commons as the victim of the failure to give priority to certain government business, the victim of the time devoted to government business being really a wasteland in terms of the pre-Christmas era, the victim of the stubbornness of the Minister of Transport (Mr. Lang) who refused to pull out of Bill C-19 certain clauses until he was beaten into the ground by the opposition, withdrew the clauses and the bill passed. He is the victim—in fact, he is the epitome—of the mismanagement of the business of this House. He then comes to the House and asks its members to bail him out of his dilemma. That is exactly where he stands, Mr. Speaker.

● (1510)

I am interested in seeing government business go through the House, but I am not going to suggest to my colleagues in the official opposition that they ought to become the "fall guys" for mismanagement. They would not get the credit for it, in any event, and the precedent would be used against them

in view of the attitude of the government with respect to the rules.

Mr. Railton: Don't belabour the point. You are wasting time.

Mr. Baker (Grenville-Carleton): The hon. member for Welland (Mr. Railton) tells me not to belabour the point. There is a reason we ought not to belabour the point so far as the hon. member is concerned: he is ashamed of the way the government has handled the business of the House, and he has every reason to be ashamed.

Mr. Railton: On a question of privilege, Mr. Speaker—

The Acting Speaker (Mr. Turner): Order. The hon. member for Welland (Mr. Railton) is rising on a point of order.

Mr. Railton: On a question of privilege, Mr. Speaker. I do not intend to take that kind of nonsense from the opposition House leader. He has made his point many times in the last ten minutes, so why does he not sit down and be satisfied? He is wasting the time of the House.

The Acting Speaker (Mr. Turner): That is a point for debate, not a question of privilege.

Mr. Baker (Grenville-Carleton): Thank you, Mr. Speaker. It is evident from the interjection just made that the point is worthy of being made in the House over and over again.

The Acting Speaker (Mr. Turner): Order, please. I suggest to the hon. member that he should get back to the bill under discussion.

Mr. Baker (Grenville-Carleton): So, Mr. Speaker, the situation is this. The Minister of Finance finds himself in a parliamentary bind in terms of the length of time he has had to debate the bill and the time during which he could have brought forward the bill had he wanted to do so. There is absolutely no reason why the official opposition ought to be party to this kind of thing. But this is not to say that we can condone a filibuster. I am not condoning a filibuster; I am putting the case as best I can, as I did the other day, in parliamentary terms. I think the case that the NDP are making in terms of pension is a bad one. I think it is a bad case they are making in terms of resisting the bill, which is of benefit to day care centres. I think they are going to carry a large can around their necks for holding up the rebates. But that is their choice, Mr. Speaker: they have made their bed and they can lie on it.

From the case the Minister of Finance has put—and I listened to him carefully—we cannot honestly support the idea that closure, or the guillotine rule, which is really what it is, will be used by a government because it has failed so to manage its affairs and has left an important piece of legislation, which in itself is important to Canadians, to the last minute. He then tried to foist the responsibility for this on the opposition. I do not think that we as a party can stand for that, and we are not going to.

[Mr. Baker (Grenville-Carleton).]

Perhaps this is a lesson for the government that there is a case to be made for giving priority to certain legislation. There is a case for not jumping from bill to bill during the course of debate. Even during the course of the committee proceedings we suddenly found ourselves faced with the necessity of reorganizing the Department of Manpower and Immigration. There is a case to be made for some sense of order and planning to be given government business. If the fact that there must be two motions under Standing Order 75C to guillotine debate is any indication, it is an indication of only one thing: in terms of planning, in terms of setting forth its legislative priorities, particularly during the first part of the session when a great amount of time was wasted, not through the fault of the opposition but because of the stubbornness of the Minister of Transport in relation to Bill C-19, there is no case for supporting this motion and we do not intend to do so.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, except for his failure to appreciate the good case that we in this party have for an extended debate on Bill C-22, the hon. member for Grenville-Carleton (Mr. Baker) stated the situation clearly and exactly as it is. The government is in the mess in which it finds itself today because it has failed completely to plan the business of the House and because it has dilly-dallied with respect to the income tax legislation.

In the attempt today of the Minister of Finance (Mr. Macdonald) to justify in some way this motion, he had to remind us that what we are dealing with is a bill that came out of the budget of last May, which was presented during the last session of parliament. Even though the government failed to get the bill before us in that session, and brought it in only early in November of this new session, we still did not start to debate it until December and the government made no serious effort to get it through before the Christmas break. Now, to come along and use closure for the second time on the same piece of legislation, we suggest—as the hon. member for Grenville-Carleton has put it—is an indication of complete lack of management, complete failure to give any scale of priority to the business of this House.

Mr. Railton: You are wasting time again.

Mr. Knowles (Winnipeg North Centre): I shall have something to say to the Parliamentary Secretary to the Minister of Veterans Affairs (Mr. Railton) in a moment. I have seen a good many uses of closure. There have been far more of them in the last number of years than there were in the first 75 years of the business of this House.

An hon. Member: This is not closure; it is allocation of time.

Mr. Knowles (Winnipeg North Centre): Call it what you will, it is closure. I think this is the most ridiculous application of closure that parliament has ever seen. What this minister is doing is rising, with all the authority of the cabinet and the majority that the government has, to stop one member who happens to be a teacher from the backwoods of northern Ontario, as he described himself the other day, from speaking.

Mr. Goodale: Poor little Johnny.

Mr. Knowles (Winnipeg North Centre): That was his own description—a poor little school teacher from the backwoods of Ontario. Imagine, Mr. Speaker, bringing in closure to stop one member from making a speech! When the Minister of Finance, in defence of what he is doing, said that the hon. member for Nickel Belt (Mr. Rodriguez) had said that he would speak for all of the future time, that is quite a phrase. I did not know that my hon. friend for Nickel Belt had been given immortality in this House so that he could speak forever. I think even that member has to terminate at some point.

But let me get to the interjection of my hon. friend from Welland, who said that we were wasting the time of the House by having this debate. I am very serious when I stress the point that if there is anything that we have to stick to in this place, it is the rule of law. Standing Order 31 of the rules of this House gives to the first opposition member replying to a minister who has moved a government order the right to speak without time limit. No member of the official opposition rose to speak in reply. The hon. member for Edmonton West (Mr. Lambert) says he rose. But he did not speak. I had been trying to persuade my friend, the hon. member for Edmonton West, to speak. At any rate, as it worked out the hon. member for Nickel Belt was the first member to speak in reply to the moving of the third reading, and under Standing Order 31 he has the right to speak without time limit.

● (1520)

If rules mean anything, Mr. Speaker, they should stand. For the government to come along and say it does not want this particular member exercising a right set out in Standing Order 31, and that they are going to use their majority in the middle of the game to change the rule is, I suggest, most unfair.

I am not surprised that some of my hon. friends to the right and across the way did not like the kind of speech the hon. member for Nickel Belt was making the other night and they did not like the prospect that he might speak for some considerable time yet. My friend, the hon. member for Calgary North (Mr. Woolliams), says it was the reading of the Bible that bothered them.

An hon. Member: As long as he believes it.

Mr. Knowles (Winnipeg North Centre): What is happening now is not just an attempt by the government to cut off debate, but the government is using the weight of its power and authority to stop one little member from exercising his rights.

An hon. Member: An insignificant little member.

Mr. Knowles (Winnipeg North Centre): He is not insignificant; to use his own description, he is a little school teacher from the backwoods of northern Ontario. I enjoyed the remarks of the hon. member for Victoria (Mr. McKinnon) last night when he said it was the happiest day of his life because he did not have to listen to the hon. member for Nickel Belt. Then about three minutes later he complained that the bill before us was too complicated for him to understand because he was just a simple school teacher. The hon. member for Victoria may not like the hon. member for Nickel Belt, but they are brothers; they are both simple—

Mr. Rodriguez: Not simple.

Mr. Knowles (Winnipeg North Centre): —little school teachers. All these things aside, Mr. Speaker, I suggest it is a very serious matter to use the authority of the majority to deny a right that is in the rules and that the hon. member for Nickel Belt was exercising. I also think it is a very serious thing to deny further debate on this important bill. We had just reached clause 65 in committee of the whole when the last guillotine fell. Clause 65 deals with the question of a surtax which the government is continuing for the year 1976 at too low a rate, and is not continuing for the year 1977. We think that is a very important matter, yet there was no opportunity to discuss it in committee of the whole but for about a minute and a half, and that was hardly discussion.

If debate on third reading is not allowed to continue, there will be no opportunity to discuss it at this stage. As a matter of fact it is no secret that the hon. member for Nickel Belt at the end of his speech intends to move that the bill be not now read a third time but that it be referred back to committee of the whole for the purpose of reconsidering clause 65. That is an issue of substance, and if the debate is cut off by this motion there will be no chance to refer back to committee of the whole or to give further consideration to that clause or the many other clauses that the committee did not reach.

Because I think it is unfair to use the big weight of the government to crush—

Mr. Goodale: A week-long speech is unfair. Do you think it is fair to make a week-long speech?

Mr. Epp: It was a weak speech, if that is what you mean.

Mr. Rodriguez: Who made the rules?

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Winnipeg North Centre (Mr. Knowles) has the floor, and I would suggest that he get back to the issue.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Thank you, Mr. Speaker. That is exactly what I want to do. I say to the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale) that the length of a speech does not matter. A ten-minute speech can be too long, and a week-long speech can be short.

Mr. Macdonald (Rosedale): How do you spell "week"?

Mr. Knowles (Winnipeg North Centre): The point is, Mr. Speaker, that there are rules in this place and the hon. member for Nickel Belt was simply exercising his right under those rules. For the government to come in now and use another rule to deny the rights under the earlier rule is completely unfair, I

suggest, and is another example of its dictatorial, authoritarian attitude. It is a disservice to parliament that the government has brought this motion before us today, and we shall oppose it as strongly as we can.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, there being so much talk about saving time, I shall therefore save time and express briefly my viewpoint.

I feel it is absolutely deplorable to waste time debating a motion of closure when criticizing an hon. member's intentions. When the Chair hears an hon. member asking questions criticizing a minister's intentions during the oral questions period, he is told that he is out of order. I cannot see how the Minister of Finance (Mr. Macdonald) can move a motion of closure in criticizing a member's intentions, because the latter allegedly said that if need be he would talk till the end of time, or something to this effect.

I think it would be helpful to wait a little to find out whether we are overdoing it. The principle is at stake and I think we have here another proof that we would be well advised to urge the Committee on Procedure and Organization to spell out conditions, in agreement with the cabinet, setting precisely a calendar of sitting days; with the help of this calendar, the House leaders could come to an agreement on the debates that should take place on substantive legislation that the government has to introduce.

And if we all act in good faith, I think we shall not have to complain about situations like this one. I understand that the majority of members in the House are indeed in favour of such a procedure to make our proceedings more efficient and rapid. If some days are left to discuss very secondary matters, when we have more time to discuss, then we can use them.

I was a farmer for a long time and when the time came to make hay, I did not waste my time on ploughing. I made the hay, and then, if there was time left after that, I went to take the plough out. That is how I organized my personal life. I think we would be able, if we really wanted to be objective, to organize our proceedings so that we could pass the legislation presented to us by the government, even if we need not always agree with them. But after all, we must be reasonable. So I think that in the circumstances—

An hon. Member: I agree with that!

Mr. Lambert (Bellechasse): —given the circumstances, it has been decided that discussions be limited on second reading in the committee of the whole. Everything went smoothly and we are now at the outset of third reading. We did not even wait for the statement of the hon. member who rose the day before yesterday. Therefore, I think we should not presume of his intention to speak for one, two or three weeks. The same situation might happen to a government member who could find himself in the opposition seats one day. He would not then appreciate being penalized in such a way. Do as you would be done by.

I think that the Minister of Finance (Mr. Macdonald) should give second thoughts to the matter and if, one day, I realized that we are making fun in the House by unduly prolonging debates with all kinds of nonsense, I would then propose to strengthen the rules so we are not forced to use this famous closure. I do not like it because it smacks of dictatorship. I prefer democracy.

• (1530)

[*English*]

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I should like to say a few words concerning the motion proposed by the Minister of Finance (Mr. Macdonald). I think it is important that we acknowledge the point that has been made, that the rule is very clear that the first speaker on this side of the House to respond has unlimited time. Frankly, I am a little surprised that government members have reacted so violently to the huffing and puffing of the hon. member for Nickel Belt (Mr. Rodriguez) the other evening. We who have lived with the hon. member in committee understand that he puffs and blows quite a bit in committee, but generally, he quietens down and that is the end of him. For some reason the Minister of Finance seemed to get over exercised, and before anyone in the House was properly aware of it he was talking closure, "Shut him up," and the rest of it.

The reason I am very much opposed to the approach of the Minister of Finance is that I think this is a very dangerous precedent. The rules state very clearly that there is unlimited time for the first speaker on this side of the House. When are we going to find that closure will be used on a speaker who has only 30, 40 or 50 minutes just because the Minister of Finance does not like to hear what that hon. member is saying?

The fact is that the Minister of Finance does not seem to have the clout on his side of the House to get priority for his legislation to pass through the House. Various bills—I will not recite them—have received priority in debate, but for some reason the Minister of Finance has not been able to secure the time to get, for example, Bill C-22 before the House in adequate time to have a full discussion including committee of the whole stage and a full debate. Why is that? If the Minister of Finance is in that position, why should we on this side of the House be expected to bail him out? I suggest that not only with respect to Bill C-22 has he been most reluctant to advance his legislation. There is a long list of bills which I believe should be given priority, yet for reasons only known to the Prime Minister (Mr. Trudeau), the Minister of Finance and the government House leader, they are not getting priority.

I have often raised the question in the House as to why the minister, for example, does not come before the Standing Committee on Finance, Trade and Economic Affairs to deal with Bill C-5 which has been referred to that committee. For reasons that are not clear to me, he has categorically refused to give us in committee the benefit of his evidence on Bill C-5.

We are told we must wait until the Bretton Woods Agreement comes up along with Bill C-5. That is not good enough. Why have we not had some type of economic review in the committee? Why have we not had, for example, a review on the question of the de-control and post-control period with respect to the AIB? For reasons that are not understandable to me, the minister seems to have become the most secretive Minister of Finance who has been in office, certainly for decades—and that is saying a lot.

Mr. Rodriguez: He is not more secret than Turner was.

Mr. Stevens: Whatever happened to the Bank Act? Last fall we had a paper on the Bank Act and we understood that some priority was given to get the Bank Act moving. In the Standing Committee on Finance, Trade and Economic Affairs we even suggested to the Minister of Finance that he refer that paper to the committee so we could start in a preliminary way hearing witnesses in anticipation of the Bank Act being introduced. But nothing more was heard. I can only presume that the Bank Act will be hoisted and some time in 1978 or 1979 the parliament of the day may have to consider what changes may or may not be needed.

Mr. Knowles (Winnipeg North Centre): Under closure.

Mr. Stevens: In short, it is the Minister of Finance who seems to have bungled. I believe that we on this side would be most ill-advised to support his closure motion when something has gone wrong. Basically, it is the responsibility of the Minister of Finance and we should not be called upon to bail him out.

I have no idea why the Minister of Finance changed his mind with respect to speaking on Bill C-22 on third reading. Initially he indicated to me that he intended to speak. I welcomed that because I felt there were a large number of very pertinent questions raised on second reading and in committee of the whole stage and if, in fact, we were faced with closure—which we were—I felt that the least the Minister of Finance could do after closure was to rise in his place and extend to the House the courtesy of some remarks on the points raised in committee of the whole and second reading. But for reasons known only to the Minister of Finance he decided not to give the House any information whatsoever on third reading: he chose not to speak.

I fully intended to respond to the Minister of Finance when he indicated to me that he intended to speak. I believe that perhaps that was the initial mistake made by the Minister of Finance. When the Minister of Finance indicated that he would not be speaking to the House—I only got that second-hand—it was decided that the hon. member for Edmonton West (Mr. Lambert) would speak for five or ten minutes, touching particularly on some of the more technical aspects of the legislation. We wanted to make it clear that we did not propose to delay the bill unduly, closure having taken place, that we would make a few more points and then allow third reading. But, as we know and as the hon. member for Edmonton-West indicated, he was not recognized when he attempted to rise and the floor was given to the hon. member for Nickel Belt.

That being the case, and the Minister of Finance having set the stage by not speaking himself, it ill behooves him to bring in a measure such as the one before us today, the guillotine, to cut off the speaker who had the opportunity to speak as the result of the bill going into third reading stage. Surely what we have to ask ourselves, with the problems that are facing this nation, the economic slump, the overtaxation and the overspending at the federal government level, why is the Minister of Finance so reluctant to allow debate in the House touching on economic subjects and, in particular, so reluctant to give us some insight as to what is happening or is not happening in the Department of Finance?

The time has come for a few explanations, and I hope on opposition day tomorrow we will have the benefit of some insight that we have not received to date from the government as to what they intend to do to rectify the slump in which the nation finds itself, to make the necessary tax cuts and to give incentives to business to allow it to create some of the jobs that are needed, especially in the five eastern provinces.

● (1540)

In short, now is not the time for closure; it is the time for further debate in this House on the serious economic condition of this country. It is time to learn what measures, if any, the government proposed in order to rectify some of the problems we are now living with and which, I suggest, the government went a long way toward creating.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I am delighted to have an opportunity today to take part in this debate, because it is high time the work of this House was speeded up beyond the snail's pace at which it has been moving since I have been here. In my view, we would be doing the nation a great service if we brought the rules of this institution into the twentieth century. Obviously, the tactic of the opposition is to castigate the government for trying to destroy parliament. That is pious tripe, and that tactic is used only to cover its own tracks. It has been my observation that in this House government proposes but the opposition disposes. Many of the opposition tactics are designed and executed not in the interests of the public but in an attempt to score cheap partisan points in order to embarrass the government.

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): I am getting tired of the way the opposition stalls and delays and then makes sanctimonious speeches blaming the government for not proceeding with its legislative proposals. So is the public, and this reflects on the opposition. If the government is to proceed with the mandate it received at the last election, it must use the rules which exist to keep legislation moving through the various stages of the legislative process, just as the opposition has been consistently using the rules of the House to delay the

passage of legislation. The vehicle available to the government is Standing Order 75C.

Mr. Epp: Are you reading?

Mr. Dionne (Northumberland-Miramichi): Are you listening?

Mr. Epp: No.

Mr. Dionne (Northumberland-Miramichi): That is typical of members of the opposition; they never listen to anything except their own hollow sounds.

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): Can anyone who has watched the performance of this sanctimonious bunch in condemning the government for trying to get on with its legislative package suggest that the government is not more than justified in applying Standing Order 75C in this debate? During the last few days we have witnessed in this House what I would say is not only an irresponsible but a disgraceful abuse of the rules of this House, and the sole purpose of that charade has been to delay the legislation. Not only has there been repetition piled upon repetition, piled upon nonsense, but the hon. member for Nickel Belt (Mr. Rodriguez) in particular had the barefaced gall to abuse the patience of other hon. members with a 2½-hour diatribe of irrelevant and inconsequential blather which only came to an end when the clock mercifully moved to ten o'clock. This from a member of a party which applies to itself the entire litany of benevolent titles found in Holy Writ and the Lives of the Saints.

Members of the NDP seem to think that because they have canonized themselves as the saviours of the poor in this country, they have a right to delay any legislation they wish, any time they wish, even when, as in this case, their tactics deny to many of our citizens the tax rebates to which they are entitled and which in many cases they need. Sir, the dim lights of their self-imposed halos have grown dimmer, to the point of being extinguished, and their feet of clay have become as obvious as the hollowness of their arguments.

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): It was interesting to see the House leader of the official opposition trying this afternoon to redeem his party from its alliance with the socialists. He talked about a parliamentary bind. Indeed they are in a parliamentary bind, and they are now trying to extricate themselves from the unholy alliance they made—which they would now have us believe they made unwittingly—to delay this legislation. It was interesting, also, to hear the hon. member for Winnipeg North Centre (Mr. Knowles) talk about respect for the rules. I know of no member of this House who can use the rules of this House for more delaying tactics than that hon. member.

Some hon. Members: Hear, hear!

Mr. Rodriguez: Shame!

Mr. Broadbent: That is no way to talk about a "saint".

Mr. Dionne (Northumberland-Miramichi): The hon. member talks about the right of the first speaker under Standing Order 31, but he seems to forget that other members also have rights. We have the right to drive cars, for instance, but we do not have the right to hog the road. When any right impinges upon the rights of others, it is no longer a right but an abuse. Having to listen to the hon. member for Nickel Belt for 2½ minutes, let alone anything approaching 2½ hours, is an abuse to every listener.

Some hon. Members: Hear, hear!

Mr. Beatty: His voice is like yours.

Mr. Dionne (Northumberland-Miramichi): The only abuse which could be worse than that would be to have to listen to the opposition member who is now chirping and who probably will not have the guts to get up and make a speech. The hon. member for York-Simcoe (Mr. Stevens)—

Mr. Peters: You are not making a speech now; you are reading the damn thing.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please. The parliamentary secretary has the floor.

Mr. Dionne (Northumberland-Miramichi): The hon. member for York-Simcoe also decried the fact that we do not have the Bank Act before parliament. If the opposition is going to continue to delay and filibuster, what is the point of introducing more legislation? Let us clear up some of the legislation that is now on the order paper. Then the government will introduce additional legislation. The government will then bring forward the Bank Act, if there is any disposition in this House objectively and positively to debate the legislation the government does propose. As far as the rules of this House are concerned, Standing Order 75C is one of them and it is my hope that the government will continue to use it whenever it becomes obvious that the opposition is filibustering the attempts of the government which was elected by a majority of the people to govern this country.

[*Translation*]

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, after that rather emotional and timely speech, I think I will take a somewhat more legalistic approach, even at the risk of sapping the emotion which pervades every debate on the allocation of time. Some call it closure but I refuse to do so. Let us try to make a collective reflection effort and consider the nature of that rule allowing the government, when consensus among the various parties is not forthcoming, to move a motion so as to allocate the time which it considers the House should use to study a part of a bill or a bill as a whole.

Mr. Speaker, that is nothing new: that rule has been included in the Standing Orders of the House of Commons for quite a while but it was not used on a regular basis for many

reasons. It is indeed only recently that we realized we might better steady the course the House is taking while studying pieces of legislation.

● (1550)

Let us say at once that it is absolutely not a question of silencing the opposition or limiting debates as such but rather we want to avoid repetitions and improve the proceedings in the House, and this goes for both sides of the House. I would like to return more especially to the application of S.O. 75C. We all know that there are two other means to achieve the same result. At present, we have S.O. 75A and 75B. In S.O. 75A, when there is agreement among all parties, the government House leader rises and may propose a motion which is passed without debate and it is also a matter of time allotment, but merely as a result of an agreement between parties.

In S.O. 75B, the government is allowed to do the same when a majority of parties feel that the time has come to set a limit for those proceedings although a party or a group of members may disagree. Finally, pursuant to Standing Order 75C, when the various parties can not reach agreement, the government may act on its own and propose a motion. Then we have a debate. The same thing happens over and over again during each debate, the government tries to muzzle the opposition, it tries to ram it through.

Mr. Speaker, I think it is time once and for all to put some order in this situation and I must say that this work has already been done by the members of all parties in the Committee on Procedure and Organization. Maybe hon. members recall that this committee sat in September and October last year to make a thorough review of the Standing Orders of the House. This matter of time allocation had been discussed by the subcommittees of that very committee. At that time, it had been decided to give each caucus of each party the possibility of making a study and giving its conclusions to the committee to find a way to avoid in the future such emotional discussions as we have when a motion asking for time allocation is proposed.

Mr. Speaker, as a matter of reference it would be useful to study the contents of the rules that the committee proposed and about which the caucuses have not given reports. In this second session, the committee has still not been allowed to resume the study where it had left off in October of last year.

The problem of Standing Orders 75A, 75B and 75C is a lack of flexibility because, when the government brings them forward, there is an automatic outcry from the opposition, sometimes because of their rigidity. We had provided for two means of action. The first one was . . . incidentally, Mr. Speaker, this is a document of the House. I am going to quote directly from the minutes of the Committee on Procedure and Organization and in particular, from the schedules of issue No. 20 of Thursday September 30, 1976.

Two solutions were then suggested and the leader of the opposition was in the House at the time. He will surely remember the discussion among committee members. Two possibilities were being studied. First, assembling rules 75A, 75B and 75C as well as rule 33 in one group. If all the parties agreed, we would then have proceeded somewhat like we are now doing while allowing the debate to proceed on a bill as a whole, and not simply as we now do at one stage or during study in committee. In other words, this aimed at allowing the time required for committee study at all stages.

Secondly, if all parties were not in agreement, the government could allocate a period of time, as now under rule 75C, while ensuring the protection of the rights of the opposition and especially as concerns allocated time, since it has been established that this time allowance could be made at all stages of the debate on the bill. The restrictions were as follows: There must not be more than one day of debate at each stage. Then, existing rules had to be clarified and somewhat simplified, while still keeping the present structure of rules 75A, 75B and 75C by allowing once again the government to move such a motion, but which would cover all stages.

What is the problem that we are now facing? Mr. Speaker, it is the second time in ten days that such a motion is moved for the same bill. All this could have been prevented if this rule had been accepted. A motion would be discussed for two hours, and then some time would be allocated for the debate on the bill as a whole. The problem is as follows: the government must propose a motion on two different occasions; both times, two hours are, if not lost, spent in discussing the value of such a motion which, to some extent, is a loss of time when this happens twice.

I wanted to speak not about the substance of the motion, its contents and the reasons which have brought the government to make use of this rule today, but rather to try to cause hon. members to reflect collectively on the matter so that we may once and for all settle the issue of time allowance in the House and that we may take into account the fact that in other jurisdictions it is regular, it is accepted, provided for every day of the week, everybody is aware of that and it has become a custom. Perhaps this House should realize that times are changing and that we should take this into account and because of the number and the substance of the bills, the government will have to make more and more use of amended rules because those we now have are clearly inadequate. That was the committee's conclusion last September, but we should set up a system which in addition to protecting the oppositions's rights, and that is essential, would allow the government to work in an effective way.

My point is the following: The motion under study today is the same we discussed last week. We are now simply at another stage and, had the Standing Orders been more flexible, again we would have avoided all this emotion surrounding the two hour debate on allocation of time. I would urge all parties in the House to renew the mandate of the Committee on Procedure and Organization in this second session so that it might resume the discussion of the already exhaustive document on parliamentary reform. That is simply one aspect, because many others had been reviewed at that time. The

committee should bring forward to the House precise recommendations to update the procedures which are in many ways archaic and inadequate for 1977.

[*English*]

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I want to go on record immediately as saying that I will vote against the closure motion. The government has used closure too often. It is well to remind the House that when the new income tax legislation originally came before the House, it was piloted through this House, I am sorry to say, by Mr. Pat Mahoney who was then the member representing Calgary South. He did not return to the House in the next election. Hon. members who were here will remember that the new income tax bill was an enormously thick document, easily twice as thick as this bill which I am now holding up. That bill was rammed through the House by closure. The hon. member for Edmonton Centre (Mr. Paproski) was so disgusted with that procedure—and I will let hon. members in on a little secret; the hon. member is an ex-football player—that he picked up that bill and tore it in half.

Mr. Goodale: That was a demonstration of amateur sport.

Mr. Woolliams: I hear the hon. member for Assiniboia (Mr. Goodale) suggesting that the hon. member was involved in amateur sport. He earned a big salary playing football—$3,800! In his day that was a great deal of money.

Once more the government is imposing taxation by closure. The Liberal party set the precedent. It is giving the Canadian people the castor oil treatment. It is treating them like children, saying, "You are not well; you need the castor oil treatment." The government does not respect people's rights. By imposing closure it is saying to the people, "You are not well. Open your mouth and we will give you castor oil and make you better." That is exactly what the government is doing. As I say, the government is treating us like children. It is saying, "We do not want all this talk on the bill. Parliament is in the way." It thinks the executive is strong. It thinks that because it has the backing of all its seals.

Mr. Broadbent: Principal seals.

Mr. Woolliams: It has the backing of its principal seals, as the leader of the NDP says. It does not surprise me to see the government once more imposing taxation with closure. It has done it before, but if the recent Gallup poll is any guide it will not do it much more in future. When the Prime Minister (Mr. Trudeau) talked about the Governor General's award of merit, I am sure nobody thought for a moment that he intended to go to the country. That, I suggest, is what the Canadian people would like. An election would be a good test. The parliamentary secretary talked about a majority, meaning the government's majority. I point out that the government received only about 40 per cent of the votes and they do not constitute a majority. I should like to see the government test the political water now, put its toe in the water to see what would happen.

Mr. Abbott: It will test the water in six by-elections.

[Mr. Lachance.]

• (1600)

Mr. Woolliams: I hear the Minister of Consumer and Corporate Affairs (Mr. Abbott). He has his problems. I do not want to worry him or cause him any great anxiety: he is trying to get a bill through the committee; he does not know what is in it and nobody else understands it.

I agree that the rules are to serve parliament and are not to be abused. The hon. member for Nickel Belt (Mr. Rodriguez) got carried away a bit in his oratory. I was rather refreshed by his debate. After reading the Old Testament he started to read the New Testament. It is a long time since I reviewed many of those chapters. I am sure it was very relevant to this debate on taxation.

The real problem is that we again have the guillotine rule. We know what the government would really like to do. When you carry it right to the end, you might as well lock and chain the door of parliament and just let the executive run it. That is what they would like. They do not like to be prodded into action, if you can ever get them to act. They do not like constructive and responsible criticism of the measures they are trying to force on the Canadian people. I am not excusing the NDP member for abusing the rule. As our House leader said today, and the hon. member for York-Simcoe (Mr. Stevens), if we allow this to be established as a precedent, the Liberal party, knowing the history and traditions of that party, and as the Prime Minister said when he belonged to the NDP—

Mr. Broadbent: He was never a member, so watch it.

Mr. Woolliams: Well, there has been a rumour to that effect.

Mr. Broadbent: I am denying it now.

Mr. Hnatyshyn: Nobody in Quebec is a member of that party.

Mr. Woolliams: If you read the article which he wrote about 1960, you will see that the Prime Minister said that the name of the game is power. He said, "Give the Liberals power". They maintain power by handing out the plums, the parliamentary secretaryships, the judgeships, the whole thing. That is how they maintain power. It does not matter about principle; just get into office. That is why they use this method to ram through what they want. That is why I will not endorse by my vote this kind of procedure and this kind of tradition of the Liberal party.

Some hon. Members: Hear, hear!

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I would like to reply to some of the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles), a gentleman for whom I have very high personal regard. His knowledge of the rules of this House is perhaps unequalled. He did, however, use the rules in a way which I am sure he will not be proud of when he sits back and thinks of what took place today. He cited Standing Order 31 of this House. It reads as follows:

Unless otherwise provided in these Standing Orders, when Mr. Speaker is in the chair, no member, except the prime minister and the leader of the opposition, or a minister moving a government order and the member speaking in reply immediately after such minister, or a member . . . shall speak for more than forty minutes at a time in any debate.

It is negative wording. By virtue of this rule, the hon. member for Nickel Belt (Mr. Rodriguez), whose smile is nothing less than that of a Cheshire cat, and has been ever since he started this debate, is very proud of his contribution. However, I wonder if on reflection the members of his party will share the same pride in that contribution. This is the filibuster rule, according to the hon. member for Winnipeg North Centre. It so happened that a member of a minority group on that side was recognized by the Speaker. A member of the official opposition would in most circumstances be recognized. That particular member happened to catch Mr. Speaker's eye. He now demands the right to filibuster just as long as he sees fit.

When I came to my place of work in this House yesterday morning, I listened to the radio. I learned to my chagrin the debate was to go on and that the hon. member for Nickel Belt was going to speak day after day after day. That was, of course, a deliberate, provocative invitation to the government to do something to stop it. We are told by the hon. member for Winnipeg North Centre that the government is interfering with the democratic right of the hon. member for Nickel Belt to go on forever, day after day after day, citing the Bible to us and other great moral readings. We do not live in never-never land. There has been a good, adequate, thorough and complete debate on an essential measure.

Some hon. Members: Oh, oh!

Mr. Francis: Yes, Mr. Speaker. Hon. members opposite may find it difficult to accept the principle of a majority deciding. They want to fall back on the filibuster rule and prevent the majority of the members of this House coming to a decision on an important matter of government business. What are the items in the bill? It imposes a surtax on incomes over $30,000. Members opposite try to leave us with the impression the bill takes away the surtax. Without this bill or an equivalent there will not be a surtax. The bill would provide increased allowances for child care. It recognizes the fact of inflation with regard to pension plans and registered retirement savings plans. These are alleged to be iniquitous things, just helping the rich, but they help many members of the unions in this country as well as many in small businesses. Members opposite know that.

There are many people who normally vote for the party which is responsible for this filibuster. They want to see this measure pass. They would certainly file their income tax returns with a great deal more confidence if parliament had completed its business in the orderly way in which a democratic institution should normally be permitted to operate.

I have listened to many acts of sophistry in this House since I have been here. I seem to win every second election, and that is all right. However, never in my career have I heard greater sophistry than the hon. member for Winnipeg North Centre rising with a straight face and telling us it is a democratic right of the hon. member for Nickel Belt to go on day after day after day reading the Bible to us, and that we should content ourselves with such a procedure. He indicated it was a dastardly thing to deprive the hon. member of his democratic right; that the government should not stop him. Who in his right mind could accept that as a version which should guide us in this place? We would be held up to ridicule all across this nation.

I believe that parliament has a responsibility to decide. The government was given no choice but to invoke the rule. The government's action was deliberately provoked by some members of the NDP. I predict they will not be proud of their action when they read the record.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I know how anxious the members of the New Democratic Party are to address themselves to this debate. I will take very little time because it is nice to see such a large turnout for a change. I rise because of the opposition being put forward by the Minister of Finance (Mr. Macdonald) in his motion. It causes me serious concern. I wish to address some very serious remarks to the House in light of the fact it has been admitted by a number of speakers, including the Parliamentary Secretary to the Minister of National Defence (Mr. Dionne), that this procedure will be used more and more in the course of the life of this parliament. I recall seeing statements to that effect by the government House leader indicating that they were going to introduce closure under rule 75C on various occasions in order to complete the legislative program.

● (1610)

I have spoken, in the debates with respect to closure, with apprehension and concern in opposition to this tactic because I think it is a reflection not of the interest of the government in giving us legislation which is worthwhile and defendable in debate but, rather, an indication that the government is now panicking with regard to its legislative function because it is afraid to listen to the speeches and criticism of the opposition. It is afraid to let its own members stand up and debate meaningfully the legislation presented to the House. Rather, hon. members opposite want to ram through, with a limited amount of debate, each and every piece of legislation that comes forward. I think this is what they would do if they had the opportunity.

If the members on the government side stopped to think about the position they are taking and what they are doing to what I consider to be the Liberal tradition, the attitude the Liberals have taken over the years—and I am no defender of the Liberal party—the attitude which Mr. St. Laurent took toward the House of Commons and which, indeed, Mackenzie King took toward the House of Commons, the importance they placed on full and unrestricted debate, I believe they would petition the members on the treasury benches not to move a motion to restrict debate. In saying this, I am not suggesting that on the occasions when the Liberal party deviated from what I consider to be the traditional Liberal position they were not punished very severely for their actions.

I would remind members supporting the government of what transpired when closure was introduced concerning important items of legislation such as the pipeline bill in 1956 and what the result was of such an approach to parliamentary discussion. The people of Canada are watching what is going on here, although there is not the most terrific number of copies of *Hansard* read or subscribed to each day. The fact is that people are following what is going on here and have a perception of what the government is doing.

I suggest very strongly that each time the government has to resort to closure, to this particular rule, the people of Canada will be getting the message that either the government is arrogant and refuses to have a forum of open discussion with respect to legislation before parliament, or it is incompetent and cannot get its legislation through in any reasonable or rational way.

Consider the history of what has happened in this particular parliament. What are we talking about now? This is the second closure motion brought forward on the income tax bill, a bill which flows from the budget of last May. I think that illustrates the incompetence we have seen in the management of the House on the part of the government. What of its priorities? One would have thought that if they were so anxious to get this bill through and enable rebates to be given to those who were entitled to them, they would have come back from the Christmas recess resolved that the first item of business would be the Income Tax Act. They would have challenged us to debate it and get our points of view across, and they would have made it a first item of priority.

But no: the government decided, in its wisdom, to bring in such items of legislation as the resolution on television being allowed in the House. They thought, I think, that bringing this measure forward would show how progressive they were and improve the public impression of the government. I think they wanted to show the people they had visited over the course of the Christmas recess that they were not the kind of government that everyone now is beginning to suspect and understand they are, a government without imagination, one which has not retained the will to govern but only the will to stay in power.

As far as the question of filibuster is concerned on the part of any member, I simply want to say this. The hon. member for Nickel Belt (Mr. Rodriguez) has spoken for 2½ or 3 hours. He has had a lot of fun, but even the hon. member for Nickel Belt, though he would not admit it, I am sure, is human.

An hon. Member: You go too far.

Mr. Rodriguez: Semi-human; sub-human.

Mr. Hnatyshyn: He is not going to carry on indefinitely. He is going to recognize his responsibility to this House, and I suggest that until otherwise is demonstrated it would be premature for the Minister of Finance to panic and to bring in this motion. As far as I am concerned, each time the government decides to bring in a closure motion to carry out its announced program of imposing restriction on debate it is the responsibility of every self-respecting parliamentarian, regardless of the party to which he belongs, to oppose it. What is parliament all about? Parliament is a forum to discuss legislation. Each of us represents a different area of Canada, a different consensus, a different point of view possibly. Our responsibility here is not to facilitate the onward march of the Liberal government in Ottawa. It is to let the Liberal government know what the people in our constituencies think.

An hon. Member: What about reading from the Bible?

Mr. Hnatyshyn: The fact is, I speak not of biblical matters because I realize that the hon. member from Winnipeg North Centre (Mr. Knowles) and the hon. member for Nickel Belt both accept that responsibility. I would say to them: Let he who casts the first stone, etc.

Mr. Douglas (Nanaimo-Cowichan-The Islands): "Let him", surely.

Mr. Hnatyshyn: The suggestion made by the supporters of the government is that we should not talk too much about government legislation, and that we are somehow holding up the whole governmental process. But anyone who is on the government side will appreciate the fact that the day-to-day governing of the country does not stop because of discussion in the House of Commons. The executive carries on the day-to-day operations of government. The bills are being paid. The administration is carried on. We are addressing ourselves purely and simply to items of legislation and changes to legislation which the government is bringing forward.

I agree with the speech made recently by the hon. member for Halifax (Mr. Stanfield), the former leader of our party. Quite frankly, one wonders whether the government is preoccupied with the idea of bringing forward so many items of legislation simply to give the appearance of activity, as opposed to really thinking things out in terms of the legislation we really need. Every minister is competing to bring in a bill to show that his department is active and has new ideas.

I am reminded of a friend who told me that one of the legislatures—I think it was the Newfoundland legislature—went through one whole session, and maybe we should all be sent to St. John's to observe the legislature there to see how they did it, without introducing a single government bill. They dealt with estimates; they dealt with government spending and programs. I am not suggesting we should go as far as that, but it might be therapeutic for members of this House to go to that legislature where they are not preoccupied with bringing in one, two or three items of legislation for every minister to show how creative he is. Such bills serve no purpose except to clutter up the time available for debate in the House.

We have important things to do here. One of our functions is to examine the planning and the estimates of the government. Another important function, I suggest, is to examine tax bills put forward by the government. These two things go hand in hand. If the Minister of Finance and those who support him had their thinking caps on, they would understand that one of the last bills on which they should attempt to impose closure is a measure dealing with taxes, something which affects every

person in the country. It is not a relatively unimportant bill about national monuments. If we were taking up many days talking about historic sites, I could understand the agitation of members of the government and their anxiety about holding up the House for that type of measure.

• (1620)

This is a substantial tax measure arising from the last budget. I ask you, Mr. Speaker, what kind of motion is this, in view of the important legislation that is now before us? If the government is so anxious to get this bill through, where was the bill at the beginning of this session? Where was the income tax bill before the end of the last session? What was the government doing all last summer? Sitting contemplating the televising of the proceedings of the House, national historic sites, or what?

Mr. Macdonald (Rosedale): The bill was on the order paper.

Mr. Hnatyshyn: The Minister of Finance says the bill was on the order paper. That solves the whole problem! By some process of osmosis, every member of parliament was supposed to absorb the bill and then give the minister his thoughts and observations. I do not want to carry these remarks any further: the proposition is so preposterous. The position that the government and those who support it are taking is so outrageous that any self-respecting member who votes in favour of closure in respect of this bill had better be prepared to explain his action to his constituents.

Mr. Goodale: Mine are asking about their RRSPs. They want their RRSPs.

Mr. Hnatyshyn: Mr. Speaker, I was about to sit down, but the hon. member for Assiniboia (Mr. Goodale) has asked me a question. He is a student of parliament, and has been for at least three years.

Mr. Baker (Grenville-Carleton): You mean at least three months.

Mr. Hnatyshyn: He knows that parliament and parliamentarians have the right to know. He knows that totalitarian government is more efficient. If you start imposing restrictions on the right to speak, especially of parliamentarians, then parliament is far more efficient. I know it causes some difficulty for government members when they see members of parliament wanting to address themselves to particular pieces of legislation. We all know that Adolf Hitler saw it was far more efficient to have a "*Führer*", someone who would dictate the best wishes and interests of the people of his country. That is not the kind of parliament that I want to see in Canada, and it is not the kind of government that I want to see, either.

The government has a responsibility to be on guard, ready to answer. That is one of the responsibilities of government. It is an obligation which members who accept cabinet portfolios must carry. They should be prepared to answer to their peers in the House of Commons for any legislation that is put forward. Restriction of debate should not be used as some kind of program so they can proudly say to themselves that they are showing how efficient they are. If the members who are going to support the government will give consideration to what they are doing, to the position they are taking on this important piece of legislation and to the position they are taking with respect to this institution, then if they vote in favour of the motion they are doing a disservice not only to their party but to themselves.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, perhaps the best evidence of the cynical attitude that the government has toward parliament is to be found in counting the members on the government side who are in the House today. Here is an occasion when the government is imposing closure on parliament, an important procedural measure, and the government does not have enough members on its side of the House to maintain a quorum.

Mr. Lalonde: Watch out.

Mr. Broadbent: Surely, Mr. Speaker, if the government is concerned at all about parliament, and if it is concerned about the rights of members of parliament, then a basic obligation on the part of the government is at least to have sufficient members in the House to maintain a quorum.

Mr. Baker (Grenville-Carleton): Here they are now. Watch them coming in.

Mr. Broadbent: There are only eight or nine Liberals in the House at a time when closure is being imposed, though they are crawling out of the woodwork now, staggering out from behind the curtains.

Mr. Baker (Grenville-Carleton): And from the coffee bars.

Mr. Peters: If we walked out, they still would not have a quorum.

Mr. Broadbent: Perhaps I might take a couple of minutes to deal with the substance of the closure motion. Let me say at the outset that I agree with the government's right to impose closure. I agree that a government which has a majority in the House of Commons—whether or not it represents the majority of the voters—must have the right to exercise and implement the collective will of the government after a reasonable amount of time in debate has elapsed. So, unlike some members of the House who argue that closure is inappropriate in principle, I do not take that view; I think it is appropriate.

The question, then, is: At what point is it justified? I think it is extraordinarily important in this debate to remember that when the Minister of Finance (Mr. Macdonald) first spoke to closure, which he applied after only 4½ days of debate on a finance measure which goes to the root of the justification of parliamentary democracy in the first place—because parliaments were first formed to justify spending by the monarch—the minister did not even attempt to justify closure. Nowhere in his speech did he allude to the need for invoking closure on parliament, for cutting off discussion of this important matter after only 4½ days. He spoke only to the finance measures that we were considering. Not once did he offer any argument to justify closure.

Liberal members have again spoken in the House today, but there has been no justification put forward for bringing in closure on a finance measure after very limited debate. The

most important clause, I would argue, or one of the most important, one that certainly reflects the generosity of Liberals toward the rich, imposes a surtax only for 1976 on those earning $30,000 a year or more, but removes it for this year, while the government maintains a controls program on ordinary wage and salary earners. Yet we did not even debate that clause, Mr. Speaker. No debate was possible on that crucial clause during committee stage of the bill before closure was applied and debate was cut off. Although I accept the principle of closure, that at some time the government must have the right to invoke closure if in the governments' view the opposition over a prolonged period of time is holding up a measure, I regard it as totally unjustified and absurd to apply the rule on this particular measure at this time.

As for the substance of the remarks of the hon. member for Ottawa West (Mr. Francis), the Parliamentary Secretary to the Minister of National Defence (Mr. Dionne) who is from New Brunswick, and an earlier speaker on the Liberal side from Montreal, I would have thought, particularly in the case of the latter speaker, that they had enough concern for the poor of this country and for the unemployed to see what a meretricious piece of nonsense this bill really is. The hon. member for Ottawa West said that all kinds of people benefit from the RRSP provisions; that all kinds of people benefit from the day care provisions; that all kinds of people—presumably he would have said, though he didn't—benefit from the removal of the $30,000 surtax.

I would say to the hon. member that that is only ritualistically true, that all citizens are open to benefits. This is like saying, as was said in the eighteenth century in opposition to the French aristocracy, that rich man and poor man alike have the right to sleep on a bridge over the Seine. But is it only coincidence that the poor have this experience? The point is that every one of the provisions that are open to the rich and the poor in this bill are overwhelmingly used by the rich because they provide overwhelming tax benefits for the rich. When they save on their taxes, it has to be made up by other taxpayers in this country.

If you want to extend pension benefits to the people of Canada, you should not do it by providing a tax rip-off for the majority of those in the upper income brackets. You should extend the benefits that are provided under the Canada Pension Plan and the Old Age Security Act. They way to do it is to deal directly with the matter, not through some indirect tax benefit. Or if you are interested in improving day care, you do not do so by lifting disproportionately the tax burden on the rich. You do it by providing a direct grant, a demogrant, a cash payment with the same cash value for rich and poor alike, so that everyone can pay for day care. You do not give a tax benefit worth several hundred dollars to the rich and perhaps give nothing at all to a man or woman who is out working, has kids at home but is not in a position to pay any taxes at all. I repeat: if you are interested in day care, deal with it directly and make payments to those who need them.

• (1630)

I defend my colleague's right to oppose this bill in the way he has. How can we, when we are retaining controls on the income of ordinary people—I am thinking particularly of the organized workers who are still subject to controls—call for the removal of a surtax applied to people earning $30,000 or more in 1976? It boggles the mind, for anyone who has a remote sense of equity, to be able simultaneously to lift the burden off the rich and keep it on the poor.

As leader of my party I was delighted with the opposition mobilized by the hon. member for Nickel Belt (Mr. Rodriguez) against this piece of iniquitous legislation. Parliament has not been abused up to this point in terms of the duration of the debate on the tax measure. The hon. member for Nickel Belt made a good case. It was suggested his biblical references were not pertinent to the bill. That might suggest that the whole Judeo-Christian tradition in both the Old Testament and the New Testament has nothing to do with the performance of the Liberal party. With that I would agree, but it has everything to do with the actions of men and women in this country who are concerned with fairness.

The final point I want to make, Mr. Speaker, is about the talk of people waiting for tax returns. Government members should know that only about 3 per cent of Canadian taxpayers file returns before the middle of March; 97 per cent do not. We are talking about a very small group indeed. Beyond that we are talking in a very serious way about an important principle of tax fairness. I, for one, have been very proud of the action taken by the hon. member for Nickel belt who is concerned about equity, who is concerned about fairness and therefore could have nothing to do with this legislation.

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I feel compelled to rise for a few moments. I am sorry to hear that the leader of the New Democratic Party has so little to be proud of that he can be proud of the shameful performance of his colleague the other day.

Some hon. Members: Hear, hear!

Mr. Abbott: I think it should be a matter of considerable shame to him that this House was so abused by that speech, by that misuse of time and by many of the things he said today. I thought it was particularly offensive that he should refer to the question of the number of members on this side of the House. It is a very rare day, and this happens to be one, when that party can muster more than a corporal's guard.

Some hon. Members: Oh, oh!

Mr. Abbott: If it were not for the hon. member for Winnipeg North Centre (Mr. Knowles) they would frequently find their benches empty. I think that was a cheap shot and unworthy of the leader of the New Democratic Party. I can well remember an opposition day about a year ago, one that he sponsored, when after making a speech on the economy he saw fit to walk out of the House and leave his benches denuded so that he might go on television for the rest of the afternoon. Why does he insult members of this party who always have a quorum, when he knows that full well?

On the question of the allocation of the time of the House, Mr. Speaker, many of those of us who came here in 1974 are amazed that this rule is not used more frequently. It seems an outrage to those members who have come here to try to do a reasonable job that there should be nine days debate on this bill. A rule that is in the book should be used or should be removed. If hon. members want to see the rule removed, they have never proposed that although, perhaps the hon. member for Winnipeg North Centre has. The leader of the New Democratic Party says it is a good rule but it should not be used in this case. He says this is an important bill—a bill that has received very little debate. Mr. Speaker, it has received nine days' debate, plus whatever time is allocated under this restraint.

The question is: When should the rule be used? A budget is delivered in the spring. Hon. members opposite are crabbing because a budget is not to be brought in sooner than next spring, yet they refuse to allow the government to pass legislation under the last budget. Either pass it or defeat it. Some hon. members opposite are ready to resign because they are so frustrated. What is the purpose of parliament? Surely it is not, as the hon. member for Saskatoon-Biggar (Mr. Hnatsyhyn) says, simply to sit here and deal with estimates. Surely there are occasions when the government must introduce legislation with a reasonable expectation of having it passed.

The hon. member quoted his former leader who is so admired by all of us in contrast to some other one might mention. He resents the fact that legislation comes before the House and is eventually voted upon. Surely there has to be some termination. If the opposition is just going to misuse the rules as the hon. member for Nickel Belt (Mr. Rodriguez) has, surely it is open to the government to use the rule lawfully passed by this House for this House.

Some hon. Members: Hear, hear!

Mr. Abbott: I remember standing in the hall of the mother of parliaments with a member of the Conservative party whose name I shall not mention. I said, "You are a great expert on the rules. Why is it that the mother of parliaments"—that parliament which the Tory party so reveres—"uses closure with such frequency, and we hardly use it at all?" He said that in his judgment it was probably because the opposition party in Britain expected some day to form the government, whereas in this country they sometimes lose sight of that possibility and they therefore resent the use of closure.

Some hon. Members: Hear, hear!

Mr. Abbott: I thought that was typical of the wisdom that this hon. member frequently displays. It is all right to stand up, as the hon. member for Saskatoon-Biggar did, and try to fool those who may read his speech, or the newspaper report of it, but I hope he is not trying to fool himself. If that is the case, he is in real trouble. We know that in the eyes of the general public the parliament of Canada is not relevant to their concerns mainly because it appears to be a time-wasting institution incapable of doing business. I suggest that when we attempt to bring in legislation relative to a budget introduced last spring, after nine sitting days of debate, and then bring in a motion under a rule to be used by parliament, and hon. members stand up and suggest we are attempting to throttle parliament, they are either fooling themselves or trying to fool Canadians.

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I was reluctant to enter the debate, but I must respond to the call to arms when my rights as a member of parliament are attacked, even though I may be the least ranking on the opposition side, tucked up here in this corner. I used to sit in another corner, a border guard to the socialists, but it was felt that it was perhaps more in keeping with my philosophy to have me over here on the right.

I have two regrets, Mr. Speaker, besides the government's introduction of this motion for closure. One is that the hon. member for Nickel Belt (Mr. Rodriguez) did not have the opportunity to read the whole of the New Testament, and the second is that he did not believe what he read. I wish, in all seriousness, that he believed the things he read. I wish, for instance, that he believed there is a separation and an alienation between God and man. The Scriptures refer to it as sin. I wish that he believed there was a way for reconciliation to the person of Christ.

• (1640)

An hon. Member: The whole NDP is in hell.

Mr. Whiteway: I hear some comments from hon. members. I do not know whether they will appear in *Hansard*, but I hope hon. members will take some of these things seriously, not what I say but what I refer to in the Scriptures read by the hon. member for Nickel Belt.

An hon. Member: Andy Hogan reads them every day.

Mr. Whiteway: May I say to the leader of the NDP that I wish that some hon. members, whether in his party or in mine, would listen and believe the things that the hon. member for Cape Breton-East Richmond (Mr. Hogan) reads every day. I also wish this House had listened more attentively to what was read by the hon. member for Nickel Belt, because I think much wisdom can be gained from that ancient book referred to as the Bible. I would simply say that if justice is to prevail and this motion of closure is to be passed, and the hon. member for Nickel Belt were to resume his reading, I hope that this House might be filled with members listening attentively to the reading of all 27 books of the New Testament.

I want to make a few remarks about the government. I do not deny that the government has the absolute right to govern. They have that right by reason of winning the election and having a majority in the House of Commons. They have the absolute right to set priorities, to set tax levels, to bring in fiscal and monetary policies, to bring in legislation, to give direction to the country in domestic and external affairs, to run parliament and to make sure that the legislative process runs smoothly and efficiently. I admit that they have the absolute right to govern; but if that is true, it is also true that the opposition has the absolute right to scrutinize the decisions of the government and to criticize them. We have the absolute right to bring forth amendments and suggestions to try to persuade the government, by sound judgment and reasonable argument, to the point of view that we hold.

One of my colleagues pointed out that the government so often does not realize that it does not represent the majority view of Canadians. To be sure it represents the majority of members of this House, but not the majority view of Canadians. Perhaps we should allow a transferable ballot so we could ensure that the members elected here are elected by a true majority. Having said that, I wish to point out that it is at the very least a confrontation of my right as a backbench member of the opposition to scrutinize the activities of the government. I say to the Minister of Finance (Mr. Macdonald), who seldom listens to anybody on this side of the House, "Bring in closure, sir, if you will. But in my remarks I am in earnest; I will not equivocate; I will not excuse; I will not retreat a single inch; and I shall be heard."

Some hon. Members: Hear, hear!

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I will be brief—

Some hon. Members: Hear, hear!

Mr. Jones: —but not too brief. Mr. Speaker, there seems to be a great deal of overreaction both on that side and on this side.

Mr. Hnatyshyn: That condemns all of us.

Mr. Jones: This is a serious day in the second session of this thirtieth parliament when we see closure being brought upon us. It is a sad day. I do not think the point is whether the government has the right to do so. It is one of those rules of procedure which can be overused. It is like one of those situations we have at home sometimes. We overuse our rights and sometimes we abuse our obligations. Mr. Speaker, each member of the House—you, I, and all of us—was elected to preserve freedom. Also, we were elected with a freedom, the freedom of choice. In the constituency from which I come, freedom is sacred and it shall persevere. The freedom of choice is very important. But the freedom of which we are speaking today is the freedom of speech. Many of my friends, most of them men and women from my community, fought for this country and fought hard, and many of them lost their lives to protect the freedom of democracy that we hold so dear to our hearts in the democratic system.

[Mr. Whiteway.]

Mr. Harquail: Shame. You speak of freedom, yet when you were mayor of Moncton you refused to allow the French to place a plaque which had French on it on the city hall building in Moncton, New Brunswick.

Mr. Jones: The hon. member for Restigouche (Mr. Harquail) talks about frivolous things.

Mr. Harquail: It was not a frivolous statement. You speak about freedom.

Mr. Jones: If the hon. member wants to speak about the motion, he can; otherwise, he should shut up.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Moncton (Mr. Jones) has the floor.

Mr. Peters: If he does not shut up, perhaps the hon. member should.

An hon. Member: But he's a Liberal.

An hon. Member: I doubt he is a Liberal.

Mr. Jones: Mr. Speaker, I am trying to be very serious about this. It is quite obvious that the Liberals and the hecklers over there cannot be serious, and never have been. The discussions and debates in the House are based on freedom of speech, and we must preserve it. Whether you like it or not, a closure motion takes away that freedom. Many have said that the government has that right under Standing Order 75C. I suggest that they have that right but there are certain common law rules with which they have to comply before that right is applicable. I do not agree with the filibuster, but I totally disagree with any attempt to take away one's right to speak.

The whole thing is a good lesson for this government and for governments of the future to set up their priorities and their goals in order to mobilize their forces properly and try to obtain the co-operation of the House. We have many things to do in this country, and we cannot do them entirely under the adversary system. Every member of parliament has rights and obligations in the House, and we should have the freedom to protect those rights and obligations. Surely taxation by closure is not proper, and surely taxation without representation is not proper. I suggest that the effect of this closure motion, if it is passed, might be to take away a person's right to representation. If so, it would result in taxation without representation. Closure is a brutal and hateful procedure which should either be deleted from the rules or used very infrequently. There should be more provisions and conditions before rule 75C can be used.

I agree, and I think members on both sides of the House will agree, that a great deal of time has been wasted in the House in the last 2½ years; there has been a great deal of inefficency, bungling and blundering. No one can take the blame for that but the government. The government sets the agenda; it decides what takes place from day to day. I suggest that the government is totally and ultimately to blame for what is happening here today. Today, on this motion, we have to wait at least two hours. I cannot support a motion for closure. It is too dictatorial and too arbitrary, but if closure is going to be

the procedure which is in vogue for this government, God help us. We are God-fearing people, but if things like this take place we should fear the results. Surely this House is intended for honest and decent debate, but honest and decent debate can be foiled by closure motions.

● (1650)

Those who are interested in televising the procedures of this House will find that there is a real problem, because if closure is invoked time after time there will be nothing to televise but closure debates. I suggest that the mover of this motion consider, right now, the possibility of withdrawing his motion and meeting with the House leaders and others in this House who are concerned, to see if this procedure can be stopped and if we can get on with the business of the House in a more amicable and proper way.

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, it was interesting to hear the remarks of the hon. member for Moncton (Mr. Jones) and the rather eloquent plea he put on the record of this House today for sweet reason to prevail in all the deliberations in this place. I am sure it is the wish of all of us, particularly those who sit on this side of the aisle, that that in fact could be the rule of the day and the way that all things in this House could proceed. Unfortunately, that does not seem to be the prevailing disposition, particularly across the way.

I point simply to the fact that under the procedures set out in Standing Order 75C, as the minister indicated in the House yesterday, it was in fact impossible to get the co-operation of hon. gentlemen opposite, at least of those in the New Democratic Party, to facilitate the work of this House and to proceed expeditiously with this debate. Their agreement and their willingness to proceed in an effective fashion to deal with the business of the country was not forthcoming. That is the very basis upon which this motion was moved. If that agreement had been forthcoming, we could have proceeded in a fashion which would be more acceptable to all hon. members, but that sweet reason was not present amongst members of the New Democratic Party.

I am happy to have this opportunity to speak in support of the motion of the Minister of Finance (Mr. Macdonald). I suggest that this motion does not impose unreasonably upon any member of this House. It does not treat anyone unfairly. It is not the cruel guillotine about which hon. members opposite complain. In the first place, it is an effort to bring an end to the ludicrous and irresponsible abuse of our rules by the hon. member for Nickel Belt (Mr. Rodriguez). I refer to *Hansard* of earlier this week, page 2813, where the hon. member indicated to the House and to the country that he—one member, all by himself—intended to speak until Friday on the measure which was then before the House, the measure with regard to the Income Tax Act. He hoped to take up a full week—and he is one single member. The hon. member gave a clear warning to this House and to the country that he intended to misuse and abuse the rules which are there to ensure the effective functioning of this parliament. We have moved responsibly to stop that abuse.

I cannot entirely blame the hon. member for Nickel Belt. He may well be merely the poor, uninformed, backwoods school teacher he has described himself to be. However, I suspect that the real source of the difficulty this House is in at this moment lies with the House leader for the New Democratic Party. I think that is where the responsibility for this kind of abuse must lie.

Some hon. Members: Hear, hear!

Mr. Goodale: With that gentleman lies the responsibility for obstructing the progress of this bill for many months. I point out that last week the Minister of Finance moved a motion under Standing Order 75C to allocate eight additional hours of debate to the committee stage of the bill. At that time the proposals in the bill, as the minister pointed out, had already been debated in principle for six days during the budget debate, and the bill itself had been before the House five additional days and had received more than 14 hours of detailed consideration. Since the motion moved by the minister last week was adopted, we have spent eight hours at the committee stage and an additional full day at third reading stage, with the hon. member for Nickel Belt taking up virtually all of the latter time.

Mr. Rodriguez: Why didn't you stand up and speak?

Mr. Goodale: Surely this House has been more than lenient with the hon. member and with other hon. members opposite. It is instructive that when this measure was debated last week, one third of the members of the New Democratic Party were missing. It is instructive that only 64 members of the opposition turned up to vote against what they so pompously tried to describe as a "stifling of parliament". Only half of them bothered to vote.

Some hon. Members: Shame.

Mr. Goodale: That is a demonstration of the shallowness of their concern and of the transparency of the phony facade which we have seen them try to put up today. Even some hon. members opposite have seen what I have just tried to point out to the House. When the Minister of Finance rose in his place yesterday to indicate his intention to put this motion today under the provisions of Standing Order 75C, even the hon. member for Greenwood (Mr. Brewin), a member of the New Democratic Party, pounded his desk in support. I think that indicates that there are a few gentlemen opposite who can see through the facade to what they are trying to do.

In addition to avoiding the abuse and misuse of our rules which we have seen by the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Nickel Belt, it is important also to assure and reassure the people of Canada that this institution is capable of conducting the business of the country. What we have seen is not constructive debate aimed at improving the legislation.

Mr. Peters: How would you know; you weren't even here?

Mr. Goodale: We have not seen a detailed plan of action coming from across the way to try to correct what hon. members opposite see as defects in this bill. What we have had is pure and simple obstruction for the sake of obstruction itself. What is the result of that? What are the consequences of the House being misused and abused in this way? It is not simply a matter of abuse; let us remember that the business of the country has to be set aside, postponed and delayed because of this tactic. At present there are 26 government bills before the House, including such important measures as the employment and immigration bill, the Air Canada bill, the immigration policy bill, the National Transportation Act amendments, and the human rights and interests bill. We will soon have the main estimates before us. We will soon have legislation dealing with federal-provincial fiscal arrangements, and we will have legislation and proposals dealing with social services, telecommunications and the independence of parliament to be debated. One can see that the House has a heavy legislative program to be completed.

The House is scheduled to sit 47 more days from now until April 6, which is the usual date for beginning the Easter adjournment. There are seven allotted days, which reduces the number of days available for government business to 40. If the work of this session is to be completed by a reasonable time this summer, we must operate in the way in which the people of Canada expect us to operate, in an effective and business-like fashion.

What we have seen from hon. members opposite, particularly from members of the New Democratic Party in the present context, is an effort to try to bring this institution to a grinding halt. They may see some political advantage in that. It may be in relation to the present measure which is before the House, the Income Tax Act. However, I suspect it is broader than that, because they feel it might well be in their political interest to try to bring this institution to a halt, to make it inefficient, to obstruct it and to keep it from doing the business of the country so that they can then heap abuse or discredit on the government when they themselves are the authors and architects of that inefficiency and inability to do business.

I think the Minister of Finance deserves the credit of this House for taking the step he has taken to bring this debate to an end and to establish a measure of efficiency here so that we can do what we have been elected to do, and that is to consider the business of the country and to do so efficiently.

● (1700)

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I wish to speak for a few minutes in order to register my displeasure with the motion brought forward by the Minister of Finance (Mr. Macdonald). I noticed that when the parliamentary secretary who just resumed his seat complimented the minister for what he had done, he turned pink. I understand why—obviously he is ashamed of this action.

Mr. Goodale: Nonsense.

[Mr. Goodale.]

Mr. Yewchuk: And so he ought to be.

Mr. Goodale: Nonsense. Do not attribute motives.

Mr. Yewchuk: I wonder how hon. gentlemen opposite will face their constituents and tell them that within the past seven days they have twice invoked closure.

Some hon. Members: Shame.

Mr. Goodale: Our constituents are asking about their RRSPs. They want to know what is to happen.

Mr. Yewchuk: I object to the government's ramming the bill through the House without allowing sufficient debate. I am not here to defend the hon. member for Nickel Belt (Mr. Rodriguez). I know his speeches are full of paranoia, stridency, perhaps even hysterical whining. Nevertheless, even though I often find his comments irritating and do not agree with them, I am willing to defend his right to put forward his views.

Mr. Epp: Send him a bill for your diagnosis.

Mr. Yewchuk: That was a diagnosis without fee, Mr. Speaker. If we believe in democracy, if we believe in freedom, then we as members of parliament must in good conscience object strenuously to the bullying tactics of the Minister of Finance. The members of this House are men and women from all parts of Canada. They have been sent here to speak on behalf of the people of Canada, to express in parliament their views on behalf of their constituents. In this chamber the expression of such views is supposed to carry weight; it is supposed to leave some impression with policy-makers. Unfortunately, it is obvious that policy-makers are not interested in the representations members of this House make on behalf of their constituents.

One hon. member opposite said that the government is not trying to muzzle parliament. But look at the record. We have witnessed increasingly frequent attempts to muzzle parliament and ever greater restrictions placed on the ability of members to express their views. We are close to the situation in which perhaps one minister and the Prime Minister (Mr. Trudeau) will say, "Why leave the running of the country to the politicians when we can do it so much better ourselves? We do not have to listen to parliament." Mr. Speaker, I have heard a comment of that kind; it was made by a representative of a totalitarian state who tried to justify a dictatorial form of government. Dictators say, "Why should we let politicians decide the policies of our country and what the government ought to do?" In the present instance we see an example of exactly that kind of thinking.

Hon. members opposite have repeatedly said that Standing Order 75C is not the guillotine or closure rule. If it is not the closure rule, what is it? What does it do to debate?

An hon. Member: It kills debate.

Mr. Yewchuk: That is right, it kills debate. If that is not closure, I do not know what is. I suggest that it is closure, no matter what you call it. I remind the House that in 1969 Standing Order 75C was forced through the House with the use of closure, by the very same government which is now again attempting to muzzle the opposition. It is doing this because it cannot stand criticism. The government used closure to bring in the closure rule and it is now imposing closure once more.

The Acting Speaker (Mr. Turner): Order, please. It being 5.06 o'clock p.m., the two hours provided for the consideration of the motion now before the House under the provisions of Standing Order 75C have expired. Accordingly, under the terms of the Standing Order it is my duty to interrupt these proceedings and put every question necessary to dispose of the motion.

Hon. members have heard the terms of the motion. Is it the pleasure of the House to adopt the motion? All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Some hon. Members: Shame.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Call in the members.

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

(*Division No. 18*)

YEAS

Messrs.

Abbott
Allmand
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Caron
Chrétien
Clermont
Collenette
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
De Bané
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Harquail
Herbert
Hopkins
Isabelle
Jamieson
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Lapointe
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
Macdonald
(Rosedale)
MacEachen
MacFarlane
Maine
Marchand
Martin
McIsaac
McRae
Milne
Munro
(Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Railton
Raines
Roberts
Rompkey
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Stanbury
Stewart
(Cochrane)
Stollery
Tessier
Turner
Whelan
Yanakis
Young—117.

NAYS

Messrs.

Alexander
Alkenbrack
Allard
Baker
(Grenville-Carleton)
Beatty
Benjamin
Blackburn
Broadbent
Cadieu
Caouette
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Crosbie
Crouse
Darling
Dick
Dinsdale
Dionne
(Kamouraska)
Douglas
(Nanaimo-Cowichan-
The Islands)
Ellis
Epp
Fairweather
Firth
Forrestall
Fortin
Friesen
Grafftey
Halliday
Hargrave
Hees
Hnatyshyn
Holmes
Huntington
Hurlburt
Jarvis
Jelinek
Jones
Knowles
(Winnipeg
North Centre)
Knowles
(Norfolk-Haldimand)
Korchinski
Lambert
(Bellechasse)
Lambert
(Edmonton West)
La Salle
Lawrence
MacDonald
(Egmont)
Marshall
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Munro
(Esquimalt-Saanich)
Nystrom
Orlikow
Paproski
Patterson
Peters
Pigott (Mrs.)
Roche
Rodriguez
Rondeau
Saltsman
Smith
(Churchill)
Stanfield
Stewart
(Marquette)
Wagner
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—75.

● (1730)

Mr. Speaker: I therefore declare the motion carried.

[*Translation*]

PARLIAMENT OF CANADA—MESSAGE FROM HER MAJESTY THE QUEEN

Mr. Speaker: I have the honour to inform the House that a communication has been received, which is as follows:

Government House

Ottawa, February 9, 1977

Sir:

The Governor General has asked me to transmit to you the text of the message he received this morning from Her Majesty the Queen:

[*English*]

I am most grateful to the Senate and House of Commons of Canada for their kind and loyal joint address on the 25th anniversary of my accession as Queen of Canada. I shall be most grateful if you will convey to both Houses an expression of my gratitude and appreciation for this address which I deeply value.

Elizabeth R.

Some hon. Members: Hear, hear!

[*Translation*]

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière,
Administrative Secretary
to the Governor General.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

AMENDMENT RESPECTING PENSION PAYABLE TO PERSONS SIXTY-FIVE YEARS OF AGE AND OVER CONTINGENT UPON RESIDENCE IN CANADA

The House resumed, from Tuesday, February 8, consideration of the motion of Mr. Lalonde that Bill C-35, an act to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I will wait a few moments until everyone settles down.

Some hon. Members: Order.

The Acting Speaker (Mr. Turner): Order, please. Any discussions, I suggest, should be held behind the curtains. The hon. member for Athabasca (Mr. Yewchuk) has the floor.

Mr. Yewchuk: Mr. Speaker, when we were on the subject of Bill C-35 yesterday I was in the process of outlining the fact that while the bill may have the effect of correcting certain inequities in our pension system, it also has a very substantial amount of material missing, such as proposals which are required in order to facilitate care of the elderly in this country. I was indicating that in my view the practice of the last two decades, which has been based largely on institutionalizing our elderly citizens, was probably not the right approach, besides being a little too costly. I was in the process of making a plea to the government, for as long as it has the responsibility of government, to take the action necessary to provide alternative services for elderly citizens.

I think we would all agree that institutions of various types which are dedicated to the care of the elderly are necessary for our senior citizens. But we also know that keeping the elderly at home in their own environment for as long as they wish is far more desirable than simply throwing them into an institution and forgetting about them until they are dead. However, the situation in Canada is such that services which are required to achieve this aim are very sadly lacking, and I wanted to conclude my comments by outlining some of the measures that need to be taken if, indeed, we are to create an environment which would allow our elderly citizens to remain in their own homes or in the homes of their families to the maximum extent possible.

First of all, there should be a larger number of the day hospital type of institution. It is suggested that patients would be admitted only in the day time. That would certainly help to decrease the number of admissions and facilitate earlier discharge. It is also suggested that an emergency care "flying squad" would be very useful. The experience of a hospital in England has shown the value of a geriatric flying squad which consists of a multi-disciplinary team comprising a physician, public health nurse and social worker, and can respond to emergency situations developing in the community by giving advice, or a visit being made by one of the team. This team would be based in the day hospital and would consist of day hospital personnel responding to telephone requests for assistance from patients on the day hospital roster.

There is also need for a large number of geriatric consultation clinics. It would be useful to increase the number of these clinics to provide for increased referrals from family practitioners and health centres. There is also need for early diagnostic health examinations to be carried out on a greater scale and to be more readily available. Here, assessments of the elderly would provide early diagnosis of treatable conditions, with the assessment of social circumstances aimed at improving the home environment and utilizing community resources, working in close liaison with other departments such as departments of ophthalmology and otolaryngology, podiatry and orthopedics.

There is also a need for follow-up clinics. An enlargement of these services would be necessary for the continuing care of elderly patients who have been discharged and do not have their own family practitioner. This would have obvious possibilities in regard to education for undergraduates, resident physicians and other health professionals. It would also increase opportunities for research projects in the area of geriatrics.

Finally, Mr. Speaker, there is greater need for a larger number of community care facilities to establish liaison among various health centres, family practitioners and public health nurses. There is also need for provision of certain services, one of which is ascertainment services. Patients at home or in other health centres who are over 70 years of age would be visited by public health nurses and referred for any necessary examinations or services. Regular visits would be continued as a preventive measure. The value of such visits has been well demonstrated in other countries and in some areas in our country where these visits are made. Consultation services would see referrals and would provide information regarding health services and developments in geriatrics. Domiciliary visits would be made at the request of the family physician, or when the patient has no doctor, at the request of the public health nurse. This would allow the patient's social environment to be assessed, as well as his or her health.

● (1740)

Mr. Speaker, I could go on a little longer, but I want to give my friend, the hon. member for Provencher (Mr. Epp), a chance to say a few words. I will conclude by saying it is time we looked seriously at providing alternative services which are less costly and which would enable elderly citizens to keep their rightful place in the general community environment which is far more pleasant to them than has been the case in institutions up to now.

Mr. Jake Epp (Provencher): Mr. Speaker, I intend to end my remarks at six o'clock in order that the bill can go to committee, as is the wish of members on this side at least. I think this is another example that if the government brings forward legislation that makes sense and is favourable, it receives speedy passage.

Some hon. Members: Hear, hear!

Mr. Epp: There are a few points I want to make about Bill C-35, and I am pleased that the Secretary of State (Mr. Roberts) is in the House. I wish the Minister of Manpower and Immigration (Mr. Cullen) were also with us, because the bill has very serious implications for immigrants to Canada. The long-term effects of the bill will be felt more by immigrants than any other group in our society.

I do not want to go over ground that has been covered already, but I welcome the provision that will allow Canadians to collect a partial pension. That is an improvement over the "all or nothing" rule that is presently the case. I welcome this in view of the fact that for health reasons many Canadians are forced to relocate, and if they do not return to Canada prior to becoming eligible for the old age pension at age 65 they lose any pension benefits they might have earned.

One might say it is not a contributory plan as is the Canada Pension, but as one of my colleagues has stated, it is contributory through the tax system. Everyone who has paid taxes in Canada in one form or another has contributed to the old age pension fund. Now the 1-40 rule will allow Canadians to collect at least a portion of the pension relative to the number of years they have been in Canada after the age of 18. I welcome that change.

I want to speak specifically about immigrants, however, and how the bill will affect them. The advantage for the immigrant community is that the bill will allow persons to receive pensions earned in the country of origin. In the case of residents from the United Kingdom, this has been well documented by the hon. member for Victoria (Mr. McKinnon) and the hon. member for Esquimalt-Saanich (Mr. Munro). These immigrants will now see an escalation of their pensions. The pensions they receive today have been frozen and bear no relationship to the contribution they made or the years they worked and absolutely no relationship to the present cost of living. That aspect of Bill C-35 is very welcome and those members should be commended for mentioning these provisions at second reading. Not only that, but members have spoken time and time again, as well as corresponding with the minister, in an attempt to have pensions earned by former residents of the United Kingdom bear some resemblance to the cost of living here.

I should like to urge the Minister of National Health and Welfare (Mr. Lalonde) and any others involved to negotiate agreements with countries that have indicated a willingness to sign a formal pension arrangement with Canada. This bill will allow for such negotiations and arrangements, and I urge that they take place as quickly as possible.

There is a caveat, however, and I want to mention it to the minister. When speaking on the bill, the hon. member for Winnipeg North Centre (Mr. Knowles) indicated he was in favour of it because it would place everyone on an equal basis. I am not one to second-guess the hon. member on his knowledge of pension rights. In theory, he is correct. But, Mr. Speaker, he is not totally correct when you consider immigrants coming to Canada and you look ahead over the next 40 years.

While passage of Bill C-35 will facilitate receipt of pension benefits earned in countries of former residents, the provision relates only to immigrants from countries with social security plans. For example, the United Kingdom, Italy, France and the United States have been mentioned as wanting a formal arrangement. What happens to immigrants from, for lack of a better word, developing countries? What happens when they come to Canada because there is no social security system in the country of origin?

In the last few years immigration has gone down from 200,000 to approximately 150,000. The figures are not entirely accurate, but if we take the most educated guess that we can of an annual immigration of 50,000 our net immigration at the present time is in the neighbourhood of 100,000 persons per year. What is happening is that an ever-increasing number of immigrants are coming from the developing world. Not only is that the case, but if you look at the applications you find an ever-increasing number from these countries. In fact, the pressure is so heavy at our immigration offices in some of these countries that applications are not even encouraged; the potential applicant is told he will not be accorded an interview for

eight or 12 months. So the number of applications we might have were it not for the backlog cannot be assessed.

What happens to these immigrants who will become Canadians? After February 15 they will have that opportunity after three years' residence in this country. What happens to an immigrant from a developing country who is not even an elderly immigrant? Under the point system now, any immigrant having attained his thirty-fifth birthday or less is given ten points. For every year over the age of 35 they lose one point of those ten points. Let us consider an immigrant aged 35 who gets ten points. By awarding those ten points the department does not regard him or her as an elderly immigrant, if I can use that term. If this person then comes to Canada and works for 30 years until the age of 65, the normal retirement age, that person has worked in Canada for the majority of his or her adult life but will only be accorded three-quarters of a pension. Let us say, for example, that that person has contributed to society, as opposed to someone who has contributed very little either through work or through the tax system. I question whether that is a very responsible manner of looking at this matter. I admit that I do not have a better solution, but I wonder what will happen when we look at this regulation in the future.

● (1750)

What we must do as a partial solution—this is why I wish the Minister of Manpower and Immigration were here—is reassess the whole concept of sponsorship and nomination. Under the concept of sponsorship, in the new regulations, if the bill is passed, sponsorship will be allowed for parents and grandparents of any age. I am sure most members of the House have had people come to them saying they would like to sponsor their parents who are of such and such an age, and asking when they will get their old age pension. I think it is to the credit of immigrants and their concept of the extended family that they accept their responsibility toward elderly parents and grandparents.

The hon. member for Athabasca (Mr. Yewchuk) in his closing remarks stated that we have transferred the care for the elderly to institutions. Surveys show very clearly that the greatest problem of the elderly is not health care, but loneliness. The fact is that the immigrant communities have had a keener awareness of their responsibility to older family members. I believe the Minister of Manpower and Immigration will have to look seriously at the whole question of sponsorship, in view of the fact that immigrants now coming to Canada at the age of 65, let us say, and normally receiving the old age pension at that age, will not be entitled to any more than one-quarter of the pension. The reason this is important is that if you look at demographic studies in Canada you will find that we have an aging population. This is of concern to many of us who have studied the statistics of Canada's population in the last few months, because with an aging population you also have an increased dependence factor.

So I suggest to the Minister of Manpower and Immigration, as well as to the minister in whose name this bill stands, that we will need a well defined publicity campaign to explain not only to potential immigrants, but to people who will sponsor immigrants, what the changes will be. I would like to stress to the minister that it is of utmost importance that persons who apply to come to Canada as immigrants under the sponsored or nominated categories will have their benefits reduced if Bill C-35 passes.

In the remaining minutes before six o'clock I want to present one matter to the minister which is related directly to the old age pension, even though not specifically to the bill. I hope, Mr. Speaker, you will give me the latitude to present the case. I have already said that the hon. member for Winnipeg North Centre and others have welcomed Bill C-35 because of the equality it gives to the pension scheme. But there is one form of pension that is not equal, other than the one I have mentioned already, and that is the matter of the spouse's allowance. I must say to the minister that spouse's allowance as it exists at present in the act is not equal and is not fair.

The minister might say that that question is not before us, but I believe that the entire pension plan and benefits to the elderly are open for discussion. Let us consider a case, because I believe that when we look at cases we understand a little better. Let us consider a husband who is older than his wife, which I believe is the case most often, and is receiving old age security as well as a partial or total guaranteed income supplement. His spouse is between the age of 60 and 65 and is therefore entitled to a spouse's allowance on the basis that she is married to a pensioner receiving a part or total guaranteed income supplement.

When the pensioner dies, not only does the surviving spouse lose the pension as well as the supplement, but she also loses the spouse's allowance. The majority of these unfortunate people between the age of 60 and 65 cannot go back to the labour market. Not only are they faced with personal loss and loss of pension; they are also faced with loss of this picayune spouse's allowance which they were receiving. One might say that that is the regulation, that is the way the bill was passed by the House and there is no further argument. But the total unfairness is that there is a way out, and that is a common law relationship. The government, for purposes of spouses' allowance, accepts a common law relationship.

I say that is totally and absolutely wrong. We are saying to a widow, "No, you are not entitled to anything. You lose everything". But if I can be crude about it, we are also saying to her, "If you are shacked up with somebody, we will give you the spouse's allowance." That is totally wrong. If we could poll members on the government side, we would find that many of them would agree it is wrong because what it does is give official recognition to an illegal arrangement. In conclusion, I want to say to the minister again, even though it hits a sensitive nerve, that this is wrong and I for one want to see it changed. Let us be fair not only to immigrants under Bill C-35 but also to surviving spouses.

The Acting Speaker (Mr. Turner): Is it the pleasure of the House to adopt the said motion?

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. MacEachen: Mr. Speaker, may I ask for the consent of the House to revert to motions?

The Acting Speaker (Mr. Turner): Is there agreement?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

REFERRAL TO COMMITTEE OF SUBJECT OF ENERGY COSTS AND CONSERVATION

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to move that the subject matter of energy costs and conservation in a document entitled "Energy Strategy for Canada" be referred to the Standing Committee on National Resources and Public Works.

Motion agreed to.

The Acting Speaker (Mr. Turner): It being six o'clock, this House stands adjourned until tomorrow at 2 p.m.

At 6.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 10, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL DEFENCE

REQUEST FOR AID IN PROTECTING SEAL HUNTERS—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under the terms of Standing Order 43 on a matter of urgent and pressing necessity. The announced threat of the Greenpeace organization to deliberately interfere with the seal hunt in northern Newfoundland and Labrador is contrary to Section 381 (paragraphs (a) to (g)) of the Criminal Code, particularly the part relating to wrongfully and without lawful authority causing persons to abstain from anything they have a lawful right to do, in addition to constituting criminal interference, intimidation, phony pretensions of being humane, and being without regard for Newfoundland Canadians who are trying to earn a livelihood in the traditional way of life in Newfoundland and Labrador. I therefore move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That this House orders that the Department of National Defence, under its responsibility for co-ordinating surveillance and patrol and aid to the civil powers and also the RCMP, devise a plan directed to supplementing fishery official strength to protect the landsmen's traditional rights and that until the appeal against Brian Davies comes to court that he be placed in a straightjacket—

Some hon. Members: Oh!

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

Some hon. Members: Agreed.

Some hon. Members: No!

* * *

POLYSAR

REQUEST FOR EXPLANATION OF CONTINUANCE OF CERTAIN WRONGFUL PRACTICES—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a matter of urgent and pressing necessity. In light of the fact that an internal report prepared by Polysar Limited and dated January 31 of this year contends that practices which can only be termed "kick-backs" were engaged in by that company's Swiss subsidiary, PISA, up to at least September, 1976, and considering that the Prime Minister said in the House on December 2, 1976 that guidelines covering such behaviour existed for ministers who have Crown corporations under their command, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Prime Minister explain by means of a statement on motions why the nefarious practices of the Polysar subsidiary were permitted to continue at least to the last quarter of 1976 and quite conceivably beyond that point.

Mr. Speaker: Such a motion cannot be put without unanimous consent. Is there such consent?

Some hon. Members: No!

* * *

SOCIAL SECURITY

SUGGESTION MEDIA CLARIFY POSITION OF CERTAIN GROUPS UNDER NEW OLD AGE PENSION RULES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this is a motion which I have shown to Liberals, Conservatives, Social Crediters and the hon. member for Moncton—

Some hon. Members: Oh, oh!

Mr. Epp: What about the NDP?

Mr. Knowles (Winnipeg North Centre): My colleagues trust me, Mr. Speaker. It is a motion which I am sure all of us agree should be passed in the hope that the media will take notice of it. I therefore move, seconded by the hon. member for Hamilton West (Mr. Alexander):

● (1410)

That this House urges the media to make it clear to the people of Canada that anyone now in Canada who is 25 years of age or over will not be affected by the new rules regarding old age security but will, on reaching age 65, be able to qualify under the residence rules now in effect for the full amount of the basic pension.

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

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. It is moved by the hon. member for Winnipeg North Centre (Mr. Knowles), seconded by the hon. member for Hamilton West (Mr. Alexander):

Air Canada

That this House urges the media to make it clear to the people of Canada that anyone now in Canada who is 25 years of age or over will not be affected by the new rules regarding old age security, but will, on reaching age 65, be able to qualify under the residence rules now in effect for the full amount of the basic pension.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

CORPORATIONS

PROPOSAL TO APPOINT TRUSTEE FOR CANADIAN JAVELIN LIMITED—MOTION UNDER S.O. 43

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise to ask the unanimous consent of the House to move the following motion on a matter of urgent and pressing necessity. In view of the fact that Canadian Javelin Limited, a public Canadian company, again has a board of directors controlled by John C. Doyle, a fugitive from justice in Canada and the United States, and that the Doyle-controlled board now threatens to drop court actions commenced by the company against Doyle and others for alleged frauds against the company, that the company has not had an annual meeting since June 30, 1975 or issued audited financial statements since 1974, and that the company's auditors have resigned, and in view of the fact that despite revenues of $7 million a year it has not paid a cash dividend to its registered and unregistered shareholders for ten years, I move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That this House direct the Minister of Consumer and Corporate Affairs (Mr. Abbott) to act immediately under the provisions of the Canadian Corporations Act, or other relevant legislation, to appoint a trustee to assume control of Canadian Javelin Limited to ensure the proper administration of the company for the benefit of its shareholders and creditors and that a complete investigation be made of all aspects of the operation of the company since its inception.

Mr. Speaker: Order, please. I have some concern about the jurisdiction of the House of Commons as it relates to the subject matter of the motion, but in any case I will ask whether or not there is unanimous consent. Standing Order 43 requires the unanimous consent of the House for the presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIR CANADA

REQUEST FOR TABLING OF TOTAL PENSION PACKAGE GRANTED TO MR. PRATTE AND MR. CHARTRAND—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, pursuant to Standing Order 43 I request the unanimous consent of the House concerning an important matter. I move, seconded by the hon. member for Capilano (Mr. Huntington):

[Mr. Speaker.]

That this House directs the Minister of Transport (Mr. Lang) to table the pension, gratuities and fringe benefits granted by Air Canada to former chairman of the board, Yves Pratte, and former vice-president, P. J. Chartrand, and that the total pension package be tabled for public information and for members of this chamber.

Mr. Speaker: Order, please. Such a motion pursuant to Standing Order 43 can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM VENEZUELA

Mr. Speaker: Order. Before proceeding with the oral question period, I know all hon. members would want to join with me in signalling the presence in our gallery of very distinguished visitors in the persons of a delegation from our good friends and neighbours in Venezuela, headed by the very distinguished and youthful Speaker of their House of Representatives who is this day celebrating his thirty-fourth birthday, Dr. Oswaldo Alvarez-Paz.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

ENERGY

KITIMAT PIPELINE—POSSIBILITY PROPOSAL DISCUSSED AT CABINET MEETING ON AUGUST 12, 1976

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, in the absence of the Minister of Fisheries and the Environment, may I direct my question to the Minister of Energy, Mines and Resources. To the minister's recollection, was the Kitimat port and pipeline proposal discussed at a federal cabinet meeting on or about August 12, 1976?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am not at all sure that that is the kind of question that the hon. member can be serious about asking.

KITIMAT PIPELINE—POSSIBILITY BRITISH COLUMBIA ADVISED CONCEPT OF PIPELINE ACCEPTABLE TO CABINET

Mr. Bill Jarvis (Perth-Wilmot): A supplementary question, Mr. Speaker. Subsequent to August 12 and before September 17, were provincial officials of British Columbia informed that

the concept of a Kitimat pipeline was acceptable to the federal cabinet.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the proponents of the Kitimat pipeline have received no assurance from the federal government that their particular application will receive favourable consideration. They came to see me; it may well have been in the early summer, if I recall correctly. They were told that their application would have to be prepared and submitted to the National Energy Board and that it ought to be prepared carefully because the National Energy Board would want to ask searching questions.

Mr. Hees: How does that sound, Iona?

Mr. Jarvis: Mr. Speaker, may I ask another supplementary question. Will the minister explain or repudiate a confidential report of the B.C. Energy Commission dated September 17, 1976, in which the following statements appear. First, I quote from page 5:

It appears that the concept of a Kitimat pipeline is acceptable to the federal cabinet.

The second statement is on page 9, and reads:

We understand that the federal cabinet considered the Kitimat proposal on August 12, 1976 and were generally receptive.

Mr. Gillespie: Mr. Speaker, I do not think I can comment on what is, from my point of view, a most speculative story. I do not know anything about the particular story to which the hon. member referred.

Mr. Baker (Grenville-Carleton): Send the minister a copy.

Mr. Gillespie: I did not in any way participate in the talks to which the hon. member referred in the first place, and I have already answered the question in the second place.

An hon. Member: Repudiate it.

Mr. Gillespie: I have already indicated that I know nothing about that particular story.

Mr. Baker (Grenville-Carleton): Apparently the minister knows little about anything.

* * *

EXTERNAL AFFAIRS

CANADIAN POLICY ON TANKER TRAFFIC ON WEST COAST—DISCUSSIONS WITH UNITED STATES

Mr. John A. Fraser (Vancouver South): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. Can the minister tell the House whether, in the ongoing discussions with United States authorities, the Canadian government has stated what its policy is regarding oil tanker traffic on the west coast and whether that policy is to try to obtain U.S. agreement on a single oil port consistent with the most satisfactory environmental safeguards.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I cannot be quite as specific about the last part of the hon. member's question as I should like to be. I would need to look at the record, to see what representations have been made to date with regard to a single port. If I may answer the broader aspects of the question, a number of representations have been made in several different discussions, the most recent of which is going on at present with regard to fisheries jurisdiction and a delineation of the boundary, as I answered a few days ago. In that connection one item we have included for discussion along with fisheries, hydrocarbons and related questions is the matter of joint management, or a joint agreement with regard to fisheries pollution control measures. Those are the most active negotiations.

Mr. Fraser: A supplementary question, Mr. Speaker. Can the minister advise the House whether it is Canadian policy to accept an oil tanker port at Kitimat in addition to an oil port in the Straits of Juan de Fuca or the Puget Sound area? What is the proposal in that regard?

Mr. Jamieson: Mr. Speaker, to be perfectly honest with the hon. member, I repeat, I have not seen a document and I would not want to mislead him about what has been said formally in statements to the United States. Since I do not know the answer, the hon. member would be doing me a favour, and I would be doing him one, if I could have a day to look into the matter in more detail.

Mr. Fraser: A final supplementary question, Mr. Speaker. In view of the ongoing discussions, what is the response of the United States to the Kitimat proposal for, if accepted, it makes Canadian protests over Alaska tanker traffic appear somewhat ridiculous.

Mr. Jamieson: Mr. Speaker, that, again, is part of what I should like to investigate. To the best of my knowledge, and I ask the hon. member to appreciate that I am speaking from memory, I do not think there has been any formal statement with regard to that particular proposal involving Kitimat. However, I am not absolutely certain; therefore, I would rather reserve my answer until tomorrow.

Mr. Baker (Grenville-Carleton): Yes, but what is your policy?

* * *

GOVERNMENT ADMINISTRATION

GOVERNMENT ACTION TO ENFORCE GUIDELINES FOR CONDUCT OF POLYSAR AND OTHER CROWN CORPORATIONS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the Prime Minister. On December 2, when replying to a question asking whether guidelines for Canadian Crown corporations and other corporations owned by the government exist, the Prime Minister said such guidelines do exist. He went on to say that they contained instructions from ministers to the corporations under their responsi-

bility. Considering that, according to the Polysar report of January 31, of this year, PISA, the subsidiary of Polysar, continued with kickback practices at least until September 1976 and conceivably beyond that point, would the Prime Minister explain what steps were taken to enforce the guidelines to which he referred on December 2?

● (1420)

Right Hon. P. E. Trudeau (Prime Minister): I do not have before me that text of the exchanges between the hon. member and myself, but I have quite an accurate memory of the exchange and I remember indicating that there were corporations and departments which did have guidelines. I certainly did not say they all had. I had in mind certain Crown corporations and agencies. One example I had in mind was the Canadian Commercial Corporation. I went on to say that we were going to issue over-all guidelines which would apply to all departments, agencies and Crown corporations, and we did that a couple of weeks later. Until then there had been no formal guidelines applying to all.

I did indicate that it was the duty of every government agent and corporation to act within the law and the confines of morality. But the precise guidelines spelling that out in detail and applicable to all were made public by the President of the Treasury Board around mid-December.

Mr. Broadbent: Since in his answer of December 2 the Prime Minister did make specific reference to the fact that ministers who had Crown corporations under their jurisdiction did in fact have such guidelines and did in fact pass them on to the corporations under their reponsibility, I should like to ask the Prime Minister if he has confirmed that such specific guidelines did apply and were made clear to the Polymer corporation, which was the name by which it was known at the time of the Auditor General's report of 1973, and subsequent to that time, particularly since the matter was raised in the House last fall. Did the Prime Minister take steps to ensure that all Crown corporations received very explicit guidelines that covered these matters?

Mr. Trudeau: The answer to the final part of the question is very clear. We did take such steps and we enunciated the guidelines in the House in mid-December. As far as the first part of the question is concerned, it repeats the earlier one and I repeat my earlier reply. This whole matter of guidelines for the conduct of Crown corporations was discussed by me with certain of the ministers and some of them said that they followed some practices of having guidelines within the departments, and that is what I said.

I did not indicate that every department, agency and Crown corporation was submitted to them. If that had been the case, indeed there would have been no need in mid-December to issue general guidelines. The Minister of Supply and Services, following this exchange or perhaps even preceding it, asked a group of cabinet ministers to put these guidelines in shape and he and the President of the Treasury Board co-operated in establishing guidelines which would apply to all. Those were the ones that were enunciated in the House.

Mr. Broadbent: Since this matter was brought to the attention of the Prime Minister in 1973, did he not think it appropriate that very specific guidelines be established for ministers of the Crown and with instructions for those ministers to pass them all on to all the corporations for which they had responsibility at that time? Related to that, could he tell us what specific steps enforcing the newly announced guidelines last December 16 have been taken by the government in addition to the general statement which was made in the House by the minister responsible at the time?

Mr. Trudeau: The question of the hon. member stretches over a period of four years. To start at the beginning of that period, I answered this ad nauseum a few months ago in the House, but I will repeat it for the benefit of the hon. member.

As soon as that letter of the Auditor General was shown to me, within days of its writing I had the then president of the treasury board deal with the matter. He dealt with it—

Mr. Baker (Grenville-Carleton): Yes, with one phone call and a little note.

Mr. Trudeau: —with one phone call. That is how efficient the government is.

Some hon. Members: Hear, hear!

Mr. Trudeau: It was so well dealt with by one phone call that—

Some hon. Members: Oh, oh!

Mr. Trudeau: —some three years later the auditors of the corporation, Peat Marwick, issued a statement denying the allegations of the Auditor General and saying that the matter had been settled to their satisfaction, and that is fact which I quoted in this House.

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[*Translation*]

UNEMPLOYMENT INSURANCE

ALLEGED REFUSAL TO PAY BENEFITS TO PERSONS SIXTY-FIVE OR OVER

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to ask a question to the Minister of Manpower and Immigration.

On December 20, 1975, the House passed Bill C-69 concerning the eligibility for benefits of persons aged 65 and more. Considering that the basic principle of acquired right was recognized by the board of referee, the umpire and the Federal Court, considering that 14,085 Canadians are in this situation, including 6,508 in Quebec, and that despite favourable decisions by the Department of Justice, the Unemployment Insurance Commission was still refusing, last November 13, to pay such benefits based on the principle of acquired right, does the minister intend not only to closely consider this

matter, which he should already have done, but also to order that these benefits be paid immediately, as required by the Department of Justice's decisions?

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, in keeping with what the hon. member says, following that decision being handed down, I looked at the facts and realized that we did not have a right of appeal. I therefore sought authority, and received it, to make the necessary payments to those who received the acquired rights. The individuals concerned will be notified, and if they qualify as indicated in the judgment, the payments will be made. We are now in the process of doing that. It may require a minor amendment to the bill which is presently before the House.

Mr. Alexander: Oh!

Mr. Cullen: If that is necessary, it will be done, but I am satisfied from the information I have received from the Department of Justice that in all probability it will not be required.

[*Translation*]

Mr. Fortin: Mr. Speaker, I want to ask a supplementary question.

Does the minister's answer mean that he ordered the immediate withdrawal of an internal directive which was sent directly to the district office on January 25, 1977 and in which Mr. Robert Sanschagrin, the head of the insurance service, says that the first directives issued on that subject recommended the recognition of those appeals? But according to the brief submitted last December 22, those appeals are no longer receivable as from November 13, 1976, that is exactly 24 hours after the last judgments handed down by the Federal Court, the umpire and the board of referees. Does the minister intend to withdraw that directive immediately and thus authorize those 14,084 Canadians to receive their due?

[*English*]

Mr. Cullen: I am not familiar with the directive the hon. member has mentioned, but he was in fact spelling out the law as we understood it to be at that time. It was not until the judgment was handed down that it was discovered that these particular acquired rights had not been covered in the legislation, and on that basis the 600 or so who had launched their appeals were successful, but we feel that whether an individual did or did not file his appeal in that instance, in the interests of equity that individual should have the same entitlement, and I am taking the administrative actions which are necessary to see to it that that is done.

• (1430)

GOVERNMENT ADMINISTRATION

POSSIBILITY OF GOVERNMENT AUDIT OF CROWN AGENCIES AND INVESTIGATION OF MANAGEMENT STRUCTURE

Mr. James Gillies (Don Valley): Mr. Speaker, my question to the Prime Minister is somewhat supplementary to the questions raised by the hon. member for Oshawa-Whitby. Given the fact that the Crown corporations are running into such difficulty and the fact that the problems in Polysar were drawn to the Prime Minister's attention four years ago and nothing was effectively done about them, may I ask if he has any plans to put in place some type of system which will audit or check what is being done to correct abuses in the operation of Crown corporations which are officially being drawn to the attention of the government?

Mr. Broadbent: Make a phone call.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in order to take effective corrective action, we would first have to know there was something untoward in the operations of the company. I must preface my answer by indicating to the hon. member that when he put the question to me yesterday I did not know of the results of the inquiry. I have now learned that this has come to light, and to that extent I apologize to the hon. member for not being able to answer his question. I see it has come to light through an independent inquiry that indeed there were some practices that were more than questionable, practices which I would say are dismaying.

An hon. Member: Illegal.

Mr. Trudeau: We are therefore faced with a statement which I made in this House based on a press release of Polysar quoting Polysar auditors, Peat, Marwick Mitchell & Co. saying there was no contingent liability, that they had asked their lawyers and there was no question of illegalities and so on. That is the information on which I based my answer in the House and that is the information on which this file was closed four years ago when we were told by a responsible outsider that there were no questionable practices.

Since the hon. member asked me the question yesterday, this whole matter is in doubt and indeed I hope that my statement to the House on December 2 that the parliamentary committee would look very deeply into that matter—I renew that suggestion today.

In so far as our corrective action is concerned, let me say that Polysar of course is not a Crown corporation. It is held by CDC of which the government is a majority shareholder. To the extent that our representatives on the board of directors are able, I will enjoin them to make sure that corrective action is taken and that the guidelines which we issued in December and which were applied to this particular case by the CDC itself—by the Polysar company in a statement they made recently—that application of them will be very strictly followed by all concerned. I rely on the government's representa-

tives on the board to report to the ministers if there is any breach of the guidelines.

Mr. Gillies: A supplementary question, Mr. Speaker. Given the fact that it seems that Crown corporations having considerable difficulty are coming to the attention of parliamentary committees, may I ask the Prime Minister if he is contemplating an investigation of the management structure of Crown corporations? I ask this in view of the fact that the Auditor General has specifically limited his operations to financial management and has not looked at how thoroughly boards of directors, for example, representing the principal shareholder—the taxpayers of Canada—are fulfilling their function. Is the government contemplating looking at this whole question of whether this is an effective vehicle for conducting business which may be of interest to the people of Canada?

Mr. Trudeau: Yes, Mr. Speaker. For the past few years ministers have been asking this type of question about Crown corporations, not so much relating to the legality or morality of their actions but to the degree of control the government has over every aspect of their actions. It has been a dilemma which comes up under many circumstances. For example, when a Crown corporation does not carry out the objectives of the people of Canada what can we do about it? When a Crown corporation has budgets which are very often approved by the government but we are without the ability to go into the details of the management, what can we do about it? We have studied various possible answers to these questions, one of them being to give the government the power of direction—either broad direction to the Crown corporation or specific direction.

This whole matter has been before us and even though we have studied the practices in other countries, we find it difficult to arrive at a solution which would be entirely acceptable to the House of Commons and to the traditions in Canada where Crown corporations are indeed at arm's length and where the "politicians" should not be giving specific direction and intervening in the operation.

This is the dilemma we are struggling with, and I think in the Air Canada Act which is before the House now we have indicated some of the directions in which we are trying to solve this by giving the government specific authority to issue directives of a general nature to Crown corporations. I have no clear statement or final statement, however, in answer to the hon. member's preoccupation which we share on this side.

PRIME MINISTER'S KNOWLEDGE OF OTHER CROWN CORPORATIONS WITH SAME TYPE OF REBATE OR FEE SYSTEM AS POLYSAR AND ATOMIC ENERGY CORPORATION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a supplementary question on the same subject for the Prime Minister. It is a repetition of the question he was unable to answer yesterday because he had not read the report at that time. Does the Prime Minister himself have any knowledge of any other Crown agency, Crown corporation or subsidiary thereof that has the same type of rebate system as Polysar or agency fee system as AECL?

[Mr. Trudeau.]

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. I do not know of any but certainly since the enunciation of the guidelines in mid-December, any doubt that might be in anyone's mind that the government will not put up with or accept any illegality by government agencies whether in Canada or abroad—I hope that doubt no longer exists. There is a very clear indication in the guidelines that this must cease, if in fact it does exist.

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ABORTION

CONCLUSION OF MINISTER AFTER READING BADGLEY REPORT—COST OF REPORT—AVAILABILITY OF INFORMATION FROM OTHER SOURCES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to put a question to the Minister of Justice. The terms of reference set out for the Badgley committee stated:

> . . . to conduct a study to determine whether the procedure provided in the Criminal Code for obtaining therapeutic abortions is operating equitably across Canada.

From a reading of the report did the minister and the Department of Justice come to the conclusion that the law as set out in the Criminal Code of Canada as to abortion was operating equitably with one exception: that there appeared to be no uniformity in reference to the therapeutic abortion committee decision-making in accredited hospitals?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, as I read the report, it came to the conclusion that the procedures provided for under the law were resulting in inequities in the application of the procedures, but that those inequities were not caused by the law itself as written but rather by provincial regulations and hospital regulations and the procedures and practices of the medical profession under the law.

Mr. Woolliams: Mr. Speaker, I appreciate the minister's answer. Was this information not known to the Department of National Health and Welfare and the Department of Justice long before the Badgley report was issued? In other words, was that report necessary to give the minister this information? I have previously asked what this report cost. What was the actual cost considering that they used Gallup to secure certain statistics? What was the cost of printing and translation? What did this report cost when that information was available to the government through the two departments?

Mr. Basford: Mr. Speaker, the budget for the committee was $727,000. The total cost as of today is $679,000. I suspect this is something of a first for a committee or task force to report under budget. With regard to the hon. member's question, I suggest that even a cursory reading of the report would indicate that while there was in places such as Statistics Canada, the Department of National Health and Welfare and other agencies, some information on this situation the report

makes it very clear it was not available in the complete and comprehensive way that the Badgley report has put it together.

REASON LARGE NUMBER OF CANADIANS WENT TO UNITED STATES FOR ABORTIONS

Mr. Eldon M. Woolliams (Calgary North): A final supplementary question, Mr. Speaker, in light of the minister's answer on the workings of the Act and whether it would treat Canadians equitably. On page 35 of the report the committee estimated that in 1975 9,627 Canadians went to the United States to obtain a therapeutic abortion. That is a little more than one fifth of the abortions obtained in Canada. If the law was working equitably, can the minister advise why one fifth of all therapeutic abortions were done outside the country?

● (1440)

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I assume from reading the report that the committee attributed the bulk of that number to a lack of knowledge of the law and rights within Canada; the lack of facilities in accredited or approved hospitals; the absence of procedures in certain parts of the country and a number of other factors which are listed in the report.

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ANTI-INFLATION PROGRAM

GOVERNMENT POLICY ON ENDING CONTROLS AND FOR POST-CONTROL PERIOD

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is to the Minister of Finance. Was Mr. Reid Scowen, Director General of the Prices and Profits Branch of the Anti-Inflation Board, expressing government policy this morning when he said on the CTV program "Canada AM" that this Sunday he will climb aboard a plane with others and commence meeting with provincial representatives to tell them what the federal government intends to do with regard to controls, namely that controls will continue until next year at which time they will end; in the case of wage contracts, at the expiration of such contracts and, in the case of prices, at the termination of each fiscal year of the company involved, but in any event there will be a continuing AIB-like agency after 1978?

Hon. Donald S. Macdonald (Minister of Finance): No, Mr. Speaker, that is not government policy.

Mr. Stevens: Will the minister assure the House there will not, in fact, be a continuing AIB-like agency after 1978?

Mr. Macdonald (Rosedale): Mr. Speaker, I can assure the House that mandatory controls will end in December 1978, if not before. We have, of course, proposed a monitoring agency without mandatory powers which may well be in existence after that time.

THE BUDGET

POSSIBILITY OF INTRODUCTION PRIOR TO EASTER

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to ask the Minister of Finance a question with regard to the budget. The minister having indicated the problems that now exist with the Anti-Inflation Board, will he now advise whether he has ruled out the introduction of a budget before the Easter break? The latest statistics have indicated to the minister and the people of Canada that in terms of unemployment, we are in trouble, and in terms of growth of productivity, we are in a mess. Has the minister ruled out the introduction of a budget prior to the Easter break?

Hon. Donald S. Macdonald (Minister of Finance): No, Mr. Speaker.

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ABORTION

POSSIBILITY OF GETTING OPPOSITION GROUPS TO ENCOURAGE FAMILY PLANNING

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the Minister of Justice. In relation to the new government report on therapeutic abortions, the minister was recently quoted as saying that the government intends to encourage family planning in the belief that it is "the only real hope for a reduction in the number of abortions", a point with which many of us agree heartily. Will the minister consider encouraging participation in increased family planning by those groups which are most actively opposed to therapeutic abortion?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, even some of the groups which are opposed to any form of induced abortion agree that family planning is a choice that people should be able to exercise. My colleague, the Minister of National Health and Welfare, and I will be meeting with provincial ministers and authorities on this report and will be urging upon them a number of measures with regard to family planning and contraception. My colleague, who is not available in the House today because he is on government business elsewhere, will, in a matter of days, be making a number of announcements as to what we will be putting to the provinces.

SUGGESTED CHANGE IN LAW IF HOSPITAL COMMITTEES NOT ESTABLISHED—POSSIBILITY OF DEBATING ISSUE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I have a question for the Minister of Justice on the Badgley report. The law at the present time does not require provincial authorities to set up therapeutic abortion committees. The minister has indicated he intends to consult with his counterparts in the provinces with regard to that area. Given the fact that since the amendments to the Criminal Code it has been the experience that some of these therapeutic abortion committees have not been set up, is it the minister's intention when

dealing with his provincial counterparts to point out that in the event these committees are not established, he will have no alternative but to change the law at the federal level so that there is some fairness and equity in the way abortions are granted in this country?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the more desirable course would be to encourage provincial health authorities to ensure there is an equitable distribution of abortion committees.

Mr. Leggatt: When the minister assumed his present responsibilities, he indicated very clearly to a number of groups and the media that we would have a full debate in the House of Commons on the subject of abortions. Will the minister now announce to the House whether that debate will be based on legislation or a motion of reference from the government to a standing committee? Which device is the minister intending to use?

Mr. Basford: At the moment, Mr. Speaker, I am not suggesting either course. It would be desirable for the Minister of National Health and Welfare and I to have the opportunity of raising some of these issues with the provinces before there is such a debate.

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MANPOWER

CRITERIA USED IN ESTABLISHING JOB CREATION BRANCH IN KELOWNA, BRITISH COLUMBIA—COST OF BRANCH

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the very limited amount of funds allocated to the Canada Works Program for the central interior of British Columbia, and in view of the satellite department of the Vancouver job creation branch recently set up in Kelowna, British Columbia, will the minister advise what criteria he used to create this additional bureaucracy? Was it the same criteria used to allocate the Canada Works funds?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I think I could best answer that question if the hon. member were to put it in a letter to me. I would then spell it out for him. I do not accept the premise of his question.

Mr. Whittaker: Mr. Speaker, will the minister advise whether this bureaucratic department, in addition to his well staffed and well run Manpower offices, will cost more than the allocation of Canada Works funds in Okanagan Boundary?

Mr. Cullen: Mr. Speaker, if the hon. member wants service in his particular area, he should be supporting this rather than taking every opportunity to denigrate every effort that is made to serve that area.

[Mr. Leggatt.]

MOTOR VEHICLES

FAILURE OF FORD TO MEET UNITED STATES STANDARDS—PROHIBITION OF PRODUCTION—GOVERNMENT ACTION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Transport. Federal authorities in the United States took unprecedented action this week in ordering the Ford Motor Company to stop production because their motor vehicles coming from production were not up to federal standards. Will the minister advise whether Canadian federal authorities have made a similar investigation and, if so, have there been any directives or actions carried out in Canada as has been done in the United States?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have asked for a report on the procedures we adopt in relation to this particular kind of case. I will inform the hon. member as soon as I receive this.

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EXTERNAL AFFAIRS

GOVERNMENT ACTION TO DRAW ATTENTION TO COUNTRIES BREAKING HELSINKI AGREEMENT—RESULTS OF MONITORING AGREEMENT

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Does the minister intend to use every public opportunity to draw the attention of Canadians to infractions of the human rights part of the Helsinki accord by countries, and I have in mind in particular the Soviet Union and Czechoslovakia, which deal with dissidents by locking them up?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Yes, Mr. Speaker, I have done this on occasion and I will certainly continue to do so. As I have said to the House on previous occasions, and I think the hon. member will appreciate this, there is a thin line between how far one goes in terms of public denunciation of specific individuals and the likely treatment that is meted out to them as a result. We will certainly continue to make public declarations whenever it is considered to be desirable.

● (1450)

Mr. Fairweather: Accepting what the minister says, although those countries are, of course, signatories to a declaration which involves human rights, will the hon. gentleman be able to announce the results of his own department's monitoring system which is in place now to delineate these infractions which are evident in other areas of the public media?

Mr. Jamieson: Yes, Mr. Speaker. Indeed, I can tell the House and the hon. member that such monitoring as we have been able to carry out shows, in our judgment, that a great deal is to be desired on the part of the countries to which he has referred and, specifically, of the U.S.S.R. I do not think there is any question on that point. Perhaps the most important activity in this connection now is the preparation of our

case, and that of other countries in the west, for presentation at the Belgrade conference later this year.

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NATIONAL DEFENCE

PROPOSED INCREASE IN RENT OF MARRIED QUARTERS—SUGGESTION INCREASE BE LIMITED TO AMOUNT ALLOWED UNDER RENT CONTROL

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Could the minister confirm or deny reports that there is to be a rent raise of between 20 per cent and 40 per cent for occupants of married quarters. Bearing in mind the age of the houses which indicates the amortization or near-amortization of most of them, can the minister explain the new-found role of the government as a rapacious landlord?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, no firm decision has been made on this question yet. Rentals of married quarters generally reflect the rents in the local community as the forces are put on to special pay rather than special privileges. Some 52 per cent of personnel live outside married quarters and are paying a much higher rent than those living in married quarters. There is a need to bring some measure of equity into this situation but no final figures have yet been determined.

Mr. McKinnon: The minister says he intends to hold the rent rises to their equivalent in the local communities. Can he therefore assure the House that in the provinces where provincial governments have instituted rent controls there will be no raise exceeding the amount permissible under such controls?

Mr. Danson: While the Crown is not subject to those controls, that is my intention.

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IMMIGRATION

ALLEGATION TORONTO OFFICERS WORKING WITHOUT PROPER TRAINING OR CO-OPERATION FROM POLICE

Mr. Jake Epp (Provencher): Mr. Speaker, my question is addressed to the Minister of Manpower and Immigration. In a departmental memorandum dated December 1, 1976 and marked confidential, Mr. C. J. Dagg, Chief Investigation Officer for Immigration Department headquarters in Ottawa and his deputy, Mr. T. Moses, wrote to Mr. R. J. Curry, director of the department's facilitation and control division stating that immigration officers in Toronto were working without proper training, adequate protection or co-operation from local police. Can the minister tell us whether he has seen this report and, if so, what specific steps has he taken to correct the glaring deficiencies in the operations of the department in Toronto as outlined by his own officers?

Hon. Jack Cullen (Minister of Manpower and Immigration): First of all, Mr. Speaker, we shall confirm the authenticity of the "confidential document" referred to. I might say it was the responsibility of these officers to attend in Toronto to look into our immigration enforcement activities. They contacted several of the enforcement officers and part of the information they received indicated the officers in the front line felt they were not properly trained, that they did not have adequate resources and so on—there were some other concerns expressed. They have made their views known through the proper channels and I intend to look into these complaints to determine whether they have merit, in which case corrective action will be taken. Prior to receiving this report I did, in fact, look into other areas where I thought moves needed to be made, and they will be made in the very near future.

ALLEGATION POLICE FEEL IMMIGRATION CASES SUSCEPTIBLE TO POLITICAL INTERFERENCE

Mr. Jake Epp (Provencher): One supplementary. Messrs. Dagg and Moses, officers who have had 28 years and 23 years experience respectively in immigration enforcement, state:

> There is some indication that the police, both city and RCMP, do not want to become involved in immigration work as they feel it is too susceptible to political interference.

Some hon. Members: Oh!

Mr. Epp: Can the minister tell us whether political interference, either from Canadian or foreign sources, has resulted in arrests not being made or in detained illegal immigrants being allowed to leave detention centres without deportation proceedings being completed?

Hon. Jack Cullen (Minister of Manpower and Immigration): The hon. member is implying that this was the experience of the officers who filed the report, but in fact they were commenting on information they had received from officers in the front line. This was information they had gathered. Our experience is that we have received absolutely first class co-operation from both the Metropolitan Toronto Police and the RCMP. But, as I said, without prejudging these matters I think I should first check into them before taking any action. We have received first class, splendid co-operation from both police forces and I think it has worked very well for the department.

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MANPOWER

SUGGESTION MINISTER MEET WITH REPRESENTATIVES OF ATLANTIC PROVINCES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask a question of the Minister of Manpower and Immigration. I am informed today by the Atlantic Provinces Chamber of Commerce that three of the governments in the Atlantic provinces are now prepared to meet with the minister and that a favourable reply is expected from the fourth. Since

the minister plans to make a trip to the Atlantic provinces later this month, is he now prepared to give a favourable reply to the effeot that he will meet with the governments of the four provinces when he visits the region, either in St. John's or in Halifax?

Hon. Jack Cullen (Minister of Manpower and Immigration): I am going to Newfoundland and I plan to speak with business community leaders in St. John's for starters. I did receive a request from the Executive Director, or President, of the Chamber of Commerce, and I indicated in reply that if they wished to co-ordinate a meeting, I was prepared to meet with them. I do not know whether this is in the same vein, but I will check this question out and see what my schedule down there permits.

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TRANSPORT

PROVISION OF REFRIGERATOR CARS FOR MOVEMENT OF POTATOES—GOVERNMENT ACTION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is directed to the Minister of Transport. I welcome very much the minister's announcement earlier this week that he had revised his previous position with respect to the user-pay situation as it applies to the Atlantic provinces. Would the minister state, in specific terms, his intentions with respect to a continuing problem, that of the transportation equipment for the movement of potatoes? This is a subject we have discussed on other occasions in this House. Has the minister received assurances from the government of Prince Edward Island and New Brunswick that the equipment would be adequate for this winter? In addition, did the hon. gentleman make any determination with these governments as to whether a decision will be taken by the federal government for replacement equipment, taking into account the studies which the minister indicated last fall were taking place?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I should tell the hon. member that what was accomplished in Charlottetown was full agreement between the provinces and the federal government on quite a number of matters and included not so much a change in philosophy but, rather, the addition of words which would emphasize that our philosophy in favour of development of the Atlantic accorded very fully with the desires and aspirations of the people of that region. The question of facilities for the handling of potatoes was discussed, particularly in private meetings with representatives of the Province of Prince Edward Island, and they had current figures on shortages which exist at this time. As I said in the House earlier, one of the questions which still remains to be finally resolved before steps can be taken to correct the situation is the kind of equipment which ought to be provided for the hauling of potatoes in the future.

Mr. MacDonald (Egmont): With respect to these important studies which are going on, and the deadline, I am sure the minister was able to give some indication to the government of Prime Edward Island when a decision will be taken, especially in view of the lead time which is involved if the equipment is to be in place for next season.

Mr. Lang: I rather agree with the representatives in Prince Edward Island—the premier and the minister of transport there—that we had to be very conscious of the timetable in looking at questions such as facilities as well as the equipment.

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MANPOWER

CANADA WORKS PROGRAM—EXTENSION OF DEADLINE FOR APPLICATIONS

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the rather short lead time with respect to Canada Works and Young Canada Works, I wonder if the minister would be disposed to inform the House as to the possibility of extending the time limit regarding the applications for Young Canada Works.

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I have already indicated this publicly and I was hoping to receive a question about it on Monday or Tuesday last. However, for the Canada Works program I have given instructions that all applications received before the end of this week should be accepted. In the case of the Northwest Territories and the Yukon applications will be accepted if they are postmarked up to midnight, February 11. For Young Canada Works we will continue to accept applications provided they are postmarked before midnight, February 18, 1977.

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CITIZENSHIP

REASON FOR LOCKING OFFICES IN NORTHERN ONTARIO AND PREVENTING APPLICANTS FROM MEETING FEBRUARY 15 DEADLINE

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I thank you for allowing me to ask a question since I am neither on your regular list of customers nor on the official list.

Some hon. Members: Oh!

● (1500)

Mr. Peters: Mr. Speaker, I should like to ask a question of the Secretary of State related to his responsibility for citizenship. In light of the February 15 deadline, I should like to know why it was necessary to use the RCMP to lock the citizenship offices in northern Ontario, which had the effect of preventing British subjects from making citizenship applications before the February 15 deadline, knowing full well the

Prime Minister's desire to make the announcement on the fifteenth when everyone will have to go through the court?

Hon. John Roberts (Secretary of State): Mr. Speaker, I have no knowledge of the specific incident to which the hon. member refers, but I will, of course, investigate the matter and report to him.

Mr. Peters: A supplementary question, Mr. Speaker. Would the minister give some consideration to providing extra people to serve the needs of British subjects in northern Ontario desirous of making application, or use some influence with other members of the cabinet to extend the deadline for British subjects who are making application for Canadian citizenship?

Mr. Roberts: Mr. Speaker, we have, of course, plans and training programs under way so that when the new act is proclaimed greater assistance will be provided to a variety of groups in their application for citizenship under the new act.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, on a point of order, might I ask the government House leader his proposals for House business for the balance of this week and into next week, and because of discussions we have had and, with his answer, would he designate next Tuesday, February 15, 1977, as an allotted day?

Mr. MacEachen: Mr. Speaker, as the hon. member knows, today is an allotted day. Tomorrow we will begin second reading discussion of the legislation in the name of the Minister of Justice having to do with human rights. On Monday we will deal with the third reading of the income tax bill, and I hereby designate Tuesday as an allotted day. With respect to the remaining days of next week, Wednesday, Thursday and Friday, the business will be announced following further consultation.

Mr. Speaker: The hon. member for Grenville-Carleton further on the same point of order.

Mr. Baker (Grenville-Carleton): One further matter, Mr. Speaker. For the purpose of the consultations that we are going to have, I wonder whether the government House leader might consider bringing forward Bill C-17, to reorganize Air Canada, which I understand is of some importance within the organization. Perhaps he might consult with them. Would he also consider designating a day, or some period of time, for a debate on the report of the joint committee on regulations and other statutory instruments, which is quite an important report for both Houses?

Mr. MacEachen: Yes, Mr. Speaker. I have also had a suggestion from my parliamentary secretary regarding a possible period for the debate of that report and I will consider it. In addition, I realize that the Air Canada bill has some urgency, and certainly I would be delighted if we could arrange to have second reading given to that bill in a relatively short period of time.

Mr. Hnatyshyn: You can always use 75C.

Mr. Speaker: Is the hon. member for Winnipeg North Centre rising on the same point of order?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, with respect to the business of the House, may I tell the government House leader that I have here two buttons, or badges, which I should like to present to him. One says "Heritage has its day"; the other says "Le patrimoine ça se fête". Would the minister bring in Bill C-30 fairly soon so that he will have the right to wear these badges on Monday, February 21?

Mr. MacEachen: Mr. Speaker, if the hon. member provides the badge in Gaelic, I will consider bringing it in.

Mr. Whittaker: Mr. Speaker, on the same point of order, I wonder whether I could ask the government House leader when he will bring in Bill C-2 which has passed committee and is waiting for third reading. This is the bill having to do with the agreement on the storage of crops.

Mr. MacEachen: Mr. Speaker, this bill is on my priority list and I would be ready to bring it forward under some assurance that it would pass without prolonged debate; indeed, after very short debate.

ROUTINE PROCEEDINGS

[*English*]

FINANCE

ESTABLISHMENT OF JOINT COMMITTEE TO STUDY DOCUMENT "THE WAY AHEAD"

On the order: Government notices of motions.

February 9, 1977—The Minister of Finance:

That a Special Joint Committee of the Senate and House of Commons be appointed to consider and report upon the document entitled *The Way Ahead;*

That fifteen Members, to be named at a later date, act as Members on the part of this House on the said Committee;

That the said Committee have the power to send for persons, papers and records and to examine witnesses; to sit during sittings and adjournments of the House; to report from time to time; to print such papers and evidence from day to day as may be deemed advisable; and to delegate to sub-committees all or any of its powers except the power to report directly to the House; and

That a Message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it advisable, some of its Members to act on the proposed Special Joint Committee.

Mr. Speaker: Pursuant to section (2) of Standing Order 21, this notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the House.

House of Commons

HOUSE OF COMMONS

BROADCASTING OF HOUSE AND COMMITTEE PROCEEDINGS

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, on motions hon. members will have noticed that there is a notice of motion appointing members to serve with Mr. Speaker on the Special Committee on the Television and Radio Broadcasting of the House. If there were a disposition to let the motion pass, I would call it. Indeed, I gather there is a disposition to pass the motion. Therefore, I move:

That the members serving with Mr. Speaker on the Special Committee on the Television and Radio Broadcasting of the House and its committees be Mssrs. Beatty, Blackburn, Coates, Goodale, Laprise, Pinard and Reid.

● (1510)

Mr. Speaker: Order, please. Of course, the presentation of this motion at this time would require the unanimous consent of the House. Is there unanimous consent for the presentation of such motion at this time?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion standing in the name of the President of the Privy Council. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Jones: Mr. Speaker, I rise on a point of order with respect to an item which appeared in *Hansard* yesterday on page 2896, the second column, on line six and some following lines. Some remarks are attributed to the hon. member for Restigouche (Mr. Harquail). He is recorded as having made those remarks while I had the floor. I do not recall the hon. member having said what he is alleged to have said in *Hansard*, and request that those remarks be deleted. If they were said, and I doubt it very much, then I, as the member who had the floor, did not have the right or opportunity to reply to his unfair, sarcastic, inaccurate, exaggerated and unjust remarks. I therefore request that those remarks be deleted.

Mr. Speaker: Order, please. Without elaboration, I might say that that does not fall within the normal parameters of corrections to *Hansard*.

Mr. Jones: Mr. Speaker, I rise on a point of order. The point I am making is that the words were not said.

Mr. Speaker: Order, please. If a correction has to be made to delete remarks in *Hansard* attributed to the hon. member for Restigouche (Mr. Harquail), this ought to be done at the instance of the hon. member for Restigouche and really not by any other member.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[Mr. Speaker.]

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 289, 661, 672, 770, 811, 1240 and 1403.

[*Text*]

EDC—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 289—**Mr. Orlikow:**

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Export Development Corporation?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as Export Development Corporation is concerned: 1. By tradition and as a matter of commercial principle Crown Corporations have not been required by Parliament to answer detailed questions on their administration and operations, and in the case of Export Development Corporation, the Export Development Act places the responsibility for such matters on its Board of Directors. The corporation's transactions are reviewed by the Auditor General of Canada, EDC's auditor.

2. Please see the answer to Part 1.

3. Please see the answer to Part 1.

RECRUITMENT AND SEPARATION OF PUBLIC SERVANTS

Question No. 661—**Mr. Lachance:**

Between the date of the presentation of the last budget May 25, 1976 and October 12, 1976, did the Department of Industry, Trade and Commerce, Foreign Investment Review Agency, Metric Commission, Standards Council of Canada, National Design Council and Export Development Corporation (excluding part-time employees hired for the quinquennial census) hire, dismiss or transfer employees to other departments and, if so, how many?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: Between May 25, 1976 and October 12, 1976, the recruitment and separation of public servants was as follows: Hired: Industry, Trade and Commerce; 35 (from inside the Public Service); 27 (from outside the Public Service); Total, 62; Foreign Investment Review Agency; 2 (from inside the Public Service); 4 (from outside the Public Service); Total, 6; 0 Metric Commission; 0 National Design Council; Dismissed: Industry, Trade and Commerce; 11 retired; 1 released; 2 laid off; 4 died; Total, 18; 0 Foreign Investment Review Agency; 0 Metric Commission; 0 National Design Council; Transferred: Industry, Trade and Commerce; 36 transferred to other government departments; 0 Foreign Investment Review Agency; 0 Metric Commission; 0 National Design Council; There are no employees listed for Standards Council of Canada.

In so far as Export Development Corporation is concerned: By tradition and as a matter of commercial principle Crown

Corporations have not been required by Parliament to answer detailed questions on their administration and operations, and in the case of Export Development Corporation, the Export Development Act places the responsibility for such matters on its Board of Directors.

GOVERNMENT AGENCIES—PERSONNEL

Question No. 672—Mr. Lachance:

Between the date of the presentation of the last budget May 25, 1976 and October 12, 1976, did the Canadian International Development Agency, International Development Research Centre, International Boundary Commission (Canadian Section) and International Joint Commission (Canadian Section) hire, dismiss or transfer employees to other departments and, if so, how many?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): In so far as the Canadian International Development Agency is concerned: Hired 27; Dismissed None; Transferred 6.

In so far as the International Development Research Centre is concerned: Hired 26; Dismissed None; Transferred None.

In so far as the International Boundary Commission (Canadian Section) is concerned: Hired 36 (including casual employees); Dismissed None; Transferred None.

In so far as the International Joint Commission (Canadian Section) is concerned: Hired 6; Dismissed None; Transferred None.

Order Paper Questions

GRANTS TO ANIMATORS—MINORITY GROUPS

Question No. 770—Mr. Cossitt:

1. What is a definition of the duties performed by persons receiving grants from the Department of the Secretary of State classified as animators under the government's bilingual programme and is one of their tasks to go into an area to agitate members of either a French or English language minority group into pushing for minority language rights?

2. (a) What is a list of all such grants given in the past four years (b) what are the names and addresses of the recipients (c) how many were involved with furthering or encouraging (i) English language services (ii) French language services (d) are such grants still made and are the animators sometimes referred to as Social Development Officers?

Hon. John Roberts (Secretary of State): 1. Animation in a minority environment is a practical technique for ensuring language and cultural rights. The animator is concerned with groups' sociocultural identification. He seeks to arouse their self-esteem and maximize their participation in various organizations through projects that promote their development and self-determination. Recipients of grants awarded for animation purposes encourage members of French and English-speaking minority groups to participate in community activities by making it possible for them to express their creative abilities and by awakening their pride in possessing, preserving and strengthening their Canadian cultural heritage.

2. (a) and (b) See following table. (c) All the associations. (d) Yes, such grants are still being made, and no, animators are not called Social Development Officers.

ORGANIZATIONS	1972-1973	1973-1974	1974-1975	1975-1976
Société franco-manitobaine 340, boul. Provencher C.P. 145 St-Boniface, Manitoba R2H 3B4	$ 132,000	$ 83,000	$ 107,000	$ 95,000
Association culturelle franco-canadienne de la Saskatchewan 2604, rue Centrale C.P. 3235 Regina, Sask. S4L 2N9	$ 84,000	$ 55,000	$ 70,000	$ 65,000
Association canadienne-française de l'Alberta 10008 109e rue Edmonton, Alberta	$ 84,000	$ 56,000	$ 78,000	$ 70,000
Fédération des franco-colombiens 3170, rue Willow Vancouver, C.-B. V5Z 3P5	$ 48,000	$ 32,000	$ 40,000	$ 45,000
Association canadienne-française de l'Ontario 260, rue Dalhousie Ottawa, Ontario K1N 7E4	$ 331,000	$ 217,000	$ 285,000	$ 230,000
Société St-Thomas d'Aquin 5, rue Central Summerside, I.P.E.	$ 22,000	$ 14,500	$ 19,000	$ 19,000
Fédération acadienne de la Nouvelle-Ecosse 6074, chemin Lady Hammond Halifax, N.E.	$ 72,000	$ 46,000	$ 60,000	$ 45,000
Société Nationale des Acadiens 80, rue Church Moncton, N. B.	$ 150,000	$ 100,000	—	—

Order Paper Questions

ORGANIZATIONS	1972-1973	1973-1974	1974-1975	1975-1976
Société des Acadiens du Nouveau-Brunswick 80, rue Church Moncton, N. B.	—	—	$ 135,000	$ 120,000
Les Terre-Neuviens français Cap St-Georges, T. N.	$ 6,780	—	—	$ 1,700
Gaspesian Cultural Association P.O. Box 50 Shigawake, Quebec	$ 30,000	$ 23,000	—	—
Eastern Township Social Action Group (ETSAG) P.O. Box 1358 Lennoxville, Quebec	—	$ 26,500	$ 55,000	—
Committee for Anglophone Social Action (CASA) C.P. 500 New Carlisle, Quebec	—	—	$ 22,000	$ 21,275
Eastern Townships Citizens Association 105 Gordon Street Sherbrooke, Quebec	—	—	—	$ 60,000
Pontiac Social Planning Council Campbell's Bay, Quebec	—	—	—	$ 11,300

DREE—ESTABLISHMENT OF CHALLENGE MILLS AT SPRINGHILL, NOVA SCOTIA

Question No. 811—**Mr. Coates:**

1. Was approval given for assistance by the Department of Regional Economic Expansion for the establishment of Challenge Mills at Springhill, Nova Scotia and, if so, on what date?

2. (a) How much was provided in loans and grants (b) what is the amount of employment that would be produced (i) immediately (ii) in the long-term as a result of the firm's establishment?

3. Was assistance made available through any provincial agency in Nova Scotia and, if so, in what amount and in what form?

4. How much has Challenge Mills received to date of the total amount in loans and grants made available through DREE?

5. What is the present employment at Challenge Mills?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned the response to Question number 811 is as follows: 1. Yes. An offer of assistance under the Regional Development Incentives Act was made on March 9, 1976 and accepted by the company on March 24th.

2. (a) The departmental offer, as accepted by the company, was for an incentive grant estimated at $568,000. (b) (i) The company initially hired 8-10 people for clean-up work at the site. (ii) Employment is expected to grow gradually to 63 within three years.

3. Yes. The provincial agency Industrial Estates Limited has announced that it is providing long-term loan financing of $1.2 million to the project.

4. Nil to date.

5. Approximately 30.

[Mr. Roberts.]

BILINGUALISM DEVELOPMENT PROGRAMME—CONTRIBUTIONS TO PROVINCES FOR PAST SEVEN YEARS

Question No. 1,240—**Mr. Herbert:**

By province, in each of the past seven years, how much has been contributed under the Bilingualism Development Programme?

Hon. John Roberts (Secretary of State): The hon. member is referred to Question No. 803 (part 2) tabled this day.

NOTE: Program was not in existence in 1969.

RDIA PROJECTS—CAPITAL COSTS

Question No. 1,403—**Mr. MacDonald (Egmont):**

For each year since the Regional Development Incentives Act came into force, what percentage of projects approved for assistance under the Act with capital costs of (a) less than $250,000 (b) $250,000 to $500,000 (c) $500,000 to $1,000,000 (d) $1,000,000 to $1,500,000 (e) $1,500,000 or more, were approved or dealt with in any manner by the (i) local (ii) regional (iii) national office of DREE?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: From the enactment of the Regional Development Incentives Act in 1969 until the department's activities were decentralized in 1974, all incentives projects were approved in Ottawa, with the exception of some cases which were approved in the Montreal Office when Region C was designated. Since April 1, 1974, the percentages of projects which were approved for assistance (i.e., offers of incentives were made to applicants) by DREE

offices are depicted in the accompanying table. The table is based upon existing levels of signing authority. Exceptions may have occurred when individual cases were referred to more senior officials for resolution of specific or unusual problems; departmental records do not contain information on normal administrative actions of this nature.

Department of Regional Economic Expansion

Percentage distribution of project approvals* by selected project size by authorizing office

Authorized Capital Costs	Provincial Offices	Regional Offices	Head-quarters
($000)	per cent	per cent	per cent
April 1974 to March 1975			
0 to 249	97	2	1
250 to 499	91	8	1
500 to 999		90	10
1 000 to 1 499		78	22
1 500 or over			100
April 1975 to March 1976			
0 to 249	98	1	1
250 to 499	88	12	
500 to 999		100	
1 000 to 1 499		100	
1 500 or over			100
April 1976 to September 1976			
0 to 249	97	3	
250 to 499	94	6	
500 to 999		95	5
1 000 to 1 499		100	
1 500 or over			100

* It is to be noted that all applications are processed in DREE's provincial offices. Recommendations for approval are acted upon at different management levels within the Department depending upon the size of the project, of which more than 87 per cent involved capital costs of less than $500,000 during the periods indicated.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions No. 130, 606, 803 and 946 could be made orders for return, these returns would be tabled immediately.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Text*]

DEPARTMENT OF SOLICITOR GENERAL—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 130—**Mr. Orlikow:**

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Department of the Solicitor General?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Return tabled.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—REGIONAL OFFICES

Question No. 606—**Mr. Munro (Esquimalt-Saanich):**

1. (a) How many regional offices are maintained by the Department of National Health and Welfare (b) where is each located (c) for what area is each responsible?

2. On what date was each established and with how many personnel?

3. What is the present personnel strength of each office?

4. In addition to regional offices, are district or other sub-offices maintained and, if so (a) in what locations (b) how many?

5. Are the duties performed by those manning the regional and/or district offices line functions, in the chain of command from Ottawa to the operator in the field, or do they have other functions to perform and, if so, what are such functions?

Return tabled.

POPULATION OF FRANCOPHONES IN WESTERN PROVINCES

Question No. 803—**Mr. Epp:**

1. What is the population of francophones for (a) Manitoba (b) Saskatchewan (c) Alberta (d) British Columbia?

2. In each case, what was the amount of grants given for the teaching of French in (a) 1971 (b) 1972 (c) 1973 (d) 1974 (e) 1975 (f) 1976?

3. In each case, what was the amount of grants given to universities and colleges in (a) 1971 (b) 1972 (c) 1973 (d) 1974 (e) 1975 (f) 1976?

4. In each case, what was the amount of grants given per (a) university student (b) student from kindergarden to Grade 12 in (i) 1971 (ii) 1972 (iii) 1973 (iv) 1974 (v) 1975 (vi) 1976?

5. What was the amount of grants given to municipalities in Manitoba on a per capita basis in (a) 1971 (b) 1972 (c) 1973 (d) 1974 (e) 1975 (f) 1976?

Return tabled.

AMOUNTS PAID TO EACH PROVINCE FOR SECOND LANGUAGE TRAINING

Question No. 946—**Mr. Howie:**

In each fiscal year ending March 31 (a) 1974 (b) 1975 (c) 1976, what amount was paid to each province for second language training in (i) English (ii) French?

Return tabled.

[*English*]

Mr. Goodale: Mr. Speaker, may I point out that the questions have been dealt with in this way by reason of the length of the answer in each case.

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO GENERATE JOBS

Mr. Joe Clark (Leader of the Opposition) moved:

That this House denounces the government's failure to generate jobs in Canada, particularly in Quebec and the Atlantic provinces, and urges immediate and resolute action, including the early presentation of a budget.

He said: Mr. Speaker, the motion we shall debate today which stands in my name is inspired by the most recent unemployment figures announced earlier this week which shocked all members of the House. They are shocking not simply in terms of the human burden which they impose on nearly one million Canadians who are out of work, but they are also disturbing by reason of what they say about our capacity to keep our country together and realize the economic growth potential which exists here and which can be one of the central means of ensuring that Canadians will choose, because it makes economic and other sense for them so to choose, to remain part of a large country full of promise and possibility.

I do not intend to dwell at length on the figures which are all too familiar to the House of Commons and to those upon whom they impact most directly. To make the House clearly aware of the degree of the problem we are facing, it would be helpful to enter on the record some relevant figures. Last month the number of unemployed in Canada, according to Statistics Canada, reached 889,000. That, sir, is the highest figure recorded by that agency in the more than 20 years it has been providing this labour force survey.

Mr. Baker (Grenville-Carleton): Shocking.

Mr. Clark: These are shocking figures, a shocking way in which to start the year 1977, and present a great challenge to the country. The number of people who were actually working in January, even on a seasonally adjusted basis, was up only 70,000 from one year earlier, while the labour force had increased by more than 150,000. That means that in 1976 we created new jobs for less than half the new entrants to the Canadian labour force. While we were registering that meagre performance, we made no progress at all in reducing the backlog of jobless in this country.

Unemployment in the five eastern provinces of Canada—Quebec, New Brunswick, Nova Scotia, Newfoundland and Prince Edward Island—was even more serious because the number of jobs available there was down by 24,000 from one year ago. During 1976, fully 50 per cent of the increase in unemployment occurred in the province of Quebec. I repeat, 50 per cent occurred in that one province. Thirty per cent of it was accounted for by the Atlantic provinces. That is, eight out of every ten Canadians who joined the ranks of the unemployed in 1976 lived in those five eastern provinces of Canada.

On a longer term basis it is worth noting that over the past decade the unemployment rate for Atlantic Canada has been, on average, 50 per cent higher than for the country as a whole. In Quebec, the average rate during those ten years of the life of the present government has run at 30 per cent above the figure for Canada as a whole.

Mr. Baker (Grenville-Carleton): Some government.

Mr. Clark: The aspect of those figures which is most troubling is that among young people—among those in the 15 to 24 age group—the rate of unemployment in Canada in January was 15.2 per cent, or close to double the figure for the labour force as a whole. The figure with respect to young people in Quebec was 17 per cent. That is to say, the unemployment figure was 17 per cent and in Newfoundland it was as high as 29 per cent. That was the figure applying to those who were forced by the economic policies of this government to begin their work career without the possibility of finding a job.

One could go on at great length enumerating this dismal catalogue. I want to go on and recite one or two basic factors. First, unemployment has been rising in Canada even though one of our traditional excuses, the old boast about having the fastest growing labour force in the western world, no longer rings true. It does not hold water any more. In fact, our work force grew last year at less than half the rate experienced by the United States. It is important to note that in the United States the unemployment rate has been moving steadily downward, while in this country it has been creeping steadily upward. Second, the so-called participation rate, the number of eligible Canadians actually in the work force, is down over one year ago, otherwise our problems would be even worse than they actually are.

Finally, I think it is important as we consider this question to take note of the forecasts of the Conference Board. They say that without some action by this government to stimulate growth and generate jobs, unemployment will average more than 10 per cent this year in all the five eastern provinces which have already borne the brunt of unemployment brought on by the economic policies of this government. We are speaking not simply about figures to feed to computers; we are talking about individual Canadians, about people who face the fundamental problem of obtaining a job around which they can build their lives and on which they can base their futures. We are dealing here not just with a passing event, not with a statistic which cropped up this month and is going to pass away, but with what has become an unfortunate feature of life in Canada under this government and one which has a very permanent and dangerous impact upon the lives not only of individual Canadians but upon our capacity to grow together as a country.

● (1520)

I want to read to the House of Commons excerpts from a letter that was sent originally to the Prime Minister of Canada (Mr. Trudeau) from a man in Victoria. He received no answer from the Prime Minister's office and so sent the correspondence to me. In a long and eloquent letter he talks about his six children; his oldest son, having worked his way through university, now unable to find a job in his profession; his daughter, a graduate nurse, in the same predicament; his daughter's boy friend, with a degree in business administration, also not able to find a job. The example, he says, is discouraging to his younger children. One of his daughters is talking about going to work in a fish plant in British Columbia when she graduates from high school because "when they are open she can earn great money", and because it is seasonal work she can draw UIC benefits when the fish plant is closed. That will give her time, she says, to walk on the beach and sit in a beer parlour with hundreds of other kids planning a similar future. This father asks:

> What the hell is wrong? Why are we letting this happen to us?

He concludes:

> I think everyone owes their country a service. I also happen to believe that a country owes something to its citizens, especially the ones that are working and striving to be better citizens and are preparing themselves to do great things. They've got to have a chance or we are finished.

Some hon. Members: Hear, hear!

Mr. Clark: That is the report of one father, of one correspondent, to one member of parliament. Colleagues on this side of the House can cite countless others, particular those who come from regions of the country where unemployment has hit hardest.

Mr. Marshall: Hundreds of them.

Mr. Clark: The point, which is an important one to make, relates to what has been called the work ethic in Canada. Sometimes the suggestion is made that Canadians generally, and young Canadians in particular, do not want to work, that that is the reason they, in the words of this father, walk on the beach and sit in the beer parlours. There have been studies by this very government of the extent to which the work ethic is strong in Canada and the conclusions are that the work ethic is alive and well in Canada if there is work for those who practise that ethic.

I want to read into the record excerpts from *Canadian Work Values* prepared by the Department of Manpower and Immigration relating to surveys conducted over the last two years. It reads:

> When those in the labour force were asked whether they would rather—if given their preference—work full-time, part-time or never, more than 95 per cent chose either full-time or part-time.

Later the report reads:

> Seventy-five percent of those people who said they were in the labour force agreed that "I work more because I like to than because I have to".

Those are not reports of a country in which the work ethic is in trouble or is in decline. The cause of the unemployment figures that we have seen this month is not based upon the failure of the work ethic but, instead, on the failure of the government of Canada to recognize its responsibility.

Some hon. Members: Hear, hear!

Mr. Clark: The matter which has to concern us most as parliamentarians planning the future of this country is that while the work ethic is alive and well in Canada, Canadians like other people, are very adaptable. If our institutions create situations where there are no jobs to go to, where it is easier to go on unemployment insurance and to walk the beaches and stay in the beer parlours than it is to find work, then we will see a decline in that work ethic, not because there is a decline in the will of young Canadians but because this government is not doing its job of giving Canadians a chance. There is no question in my mind that this government can break down the Canadian work ethic if it wants to, and it gives every indication of it by its failure to generate jobs.

There are other long-term political impacts to the kind of statistics that we saw the other day. One of them clearly relates to political stability in this country, because there is a clear relationship between political stability and economic progress even in this fortunate country.

[*Translation*]

Let us take the case of the province of Quebec, for example. It would be easy to delude ourselves and believe that a few cultural concessions will solve all our problems and consequently that the threat of separatism will vanish forever. Nothing could be further from the truth.

I had the opportunity, both before and after my election as leader of the Progressive Conservative party, to visit the various regions of this province and each time I saw that Quebeckers attach great importance to the economic well being of their province. The federal government seems to be the only one to ignore it. Nevertheless, last November 15, when they brought the Parti Québécois to power, the people of Quebec expressed their economical concerns in no uncertain terms. I have already said, and I repeat it today, that Quebeckers did not vote in favour of independence, but for an efficient government likely to grapple with and solve the very concrete problems they are facing. Unemployment is surely one of those problems.

In that context the federal government must of course assume its share of responsibilities, urgently face reality and introduce real solutions to the unemployment problem, not just palliatives. If it remains apathetic, it will only emphasize the risk of making part of the population lose all hope and opt for radical solutions.

[*English*]

Mr. Speaker, there is also a third long-term impact of this continuing slowness of growth, this continuing failure to realize the promise of the country. That is the development of a sense in Canada that we are a stagnant country, not achieving the growth of which we are capable, not generating the jobs which our young people and other Canadians have a right to

expect, not realizing a potential which is unparallelled among the nations of the world if only our government would act to achieve that potential.

Some hon. Members: Hear, hear!

Mr. Clark: The sense of stagnation that is developing in the country also imposes strains upon our unity as a nation. There is now, in western Canada, growing talk in loud voices, with perhaps few numbers behind them at the moment, about a kind of separatism in that region. I think it is important for us to recognize that where part of the sense of separatism in the eastern provinces is separatism of the disadvantaged, what we are seeing in western Canada right now is, instead, separatism flowing from the frustration of the entrepreneur. This frustration is flowing from people who sense that their country is being stacked against them, is placing obstacles in the path of the generation of growth and the generation of jobs which is so much part of the ethic of that region.

We are not talking here simply about the statistics which came from Statistics Canada the other day. We are talking about human lives, human opportunities and about serious impacts upon our capacity as a nation to grow together, to remain together and to maintain the work ethic and the standards which have been part of the Canadian experience and have generated the growth and the progress that we have known in this country. The government can no longer blame external circumstances or other governments, the opposition or anybody else, because they have been the government of Canada for nearly a decade and some of their ministers have been in office longer than that. They are clearly responsible for the failure of this country to realize the economic growth potential and generate the jobs that we can in this country.

Some hon. Members: Hear, hear!

● (1530)

Mr. Clark: I am not going to detain or entertain the House today with a long review of the record of bad government we have received from the government opposite. It is all too well known to Canadians. However, it is important to remember in passing that one justification this government gave for introducing a controls program by surprise, in the dead of the night and without consultation, was that that would allow the government to avoid fighting inflation by recession and unemployment. Now, as a result of the mismanagement of the affairs of this country by the government, we have the worst of both worlds. We have a system of controls, with all its distortions in investment patterns, in loss of new plants, in loss of new jobs and in diversion of opportunity to other countries or to other times, and we also have a situation of near recession. We have an economy which underperformed its realistic growth potential last year, and unless some definite action is taken by this government it is going to do even worse this year.

Yet the minister tells us, in effect, that his hands are tied and he cannot do anything to get the economy back on a course of sound and steady economic growth, because if he does, he might overstimulate it. I ask the minister, and Canadians also ask him: is he not aware of the amount of slack which already exists in this economy? Does he not feel that there is considerable room for stimulation in an economy which has unused capacity of up to 20 per cent in some sectors? How can he be so afraid of overstimulation when the Conference Board forecasts that without some change in government policy we will have negative real capital investment in 1977?

I want to talk for a moment about the argument of unused capacity because it is interesting in that regard to look at some of the figures for the third quarter of 1976, figures on the utilization of productive capacity in manufacturing industries, industries which would create jobs if encouragement were given to them. The figures show that during the last three months of 1976 the chemical industry was operating at only 83 per cent of its established capacity. I remind the House that furniture producers, heavily active in the province of Quebec, were employing only 72 per cent of their productive capacity. The electrical products industry was operating at 81 per cent capacity, and the durable goods sector—automobiles, major appliances and the like—was functioning at 82 per cent capacity. What is significant here is not simply the failure to come closer to capacity; it is that many of the industries which have been operating at less than capacity are in those parts of Canada where the unemployment problem we have today is most acute.

I think the Minister of Finance (Mr. Macdonald)—I hope he takes the opportunity today—has an obligation to explain to the House why the President of the United States feels justified in advocating some $30 billion in new stimulus for the economy of the United States, which already is an economy outperforming ours in every major category. Why is it that the Carter administration feels that it can and, indeed, that it must provide stimulation to the U.S. economy, which is already growing faster than ours, at a time when unemployment in the U.S. is going down, and yet we cannot act in an economy which it is forecast will grow no more than 3.5 per cent this year and at a time when unemployment threatens to reach one million Canadians? I would be interested in hearing the minister's answer to that question. There is one answer which is well known on this side, and it is that, unlike the government of Canada, the government of the United States is committed to providing jobs for its citizens. That is a model and an example which should be followed here.

There are a number of matters which one might want to touch upon today, but I think one of the fundamental requirements is a new budget as soon as possible. Today the Minister of Finance indicated that there might be one before Easter. The other day in the House he spoke in terms of several months from now. Canadians rely upon economic growth and upon the generation of jobs and they just cannot wait for the convenience of the Minister of Finance. We need a budget as quickly as possible.

Some hon. Members: Hear, hear!

Mr. Clark: Just in case the reason for the minister's delay is that he does not know what to do, we want to take the opportunity today to suggest some of the elements which that budget should contain, elements which would cut into the recurrent high unemployment figures in this country and which would give Canadians not only a chance but a sense of having a chance in this country.

[*Translation*]

First, in the budget it should be recognized that permanent employment is created not by government programs but rather by strong economic expansion in the private sector.

Second, steps must be taken to encourage consumer demand, perhaps by reducing sales tax: this would not create inflation.

Third, activity in the field of housing in Canada is slowing down at an alarming rate, at a time when the jobs in that industry are most necessary. That slowing down is particularly obvious in the construction of new units, the sector where the rate of vacancies is the lowest.

Stimulants must therefore be found to give new momentum in that field. If need be, the minister should say he is willing to discuss with the provinces the impact of rent controls in new buildings.

Fourth, we have witnessed in Canada for some time now serious cuts, on the part of corporations, in their budgets for research and development. These cannot be gauged strictly in terms of lost jobs. They are also contributing to our loss of competitiveness in foreign markets. Adequate stimulants are needed to encourage new expenditures in R and D, of such a nature as to encourage innovation and industrial productivity.

Fifth, the government should seriously consider introducing the concept of special fiscal contracts with companies desirous of locating new industries in underdeveloped areas of our country.

This approach which was applied with a certain amount of success in the Republic of Ireland and in New Hampshire in the United States has more guarantees to offer, I think, than the various measures put forward by the Minister of Regional Economic Expansion, as far as a viable and continuous industrial development in these areas is concerned. Mr. Speaker, to anyone who has the courage to face reality, it is clear that Canada has to cope with a serious problem: the lack of confidence on the part of investors.

This lack of confidence does not solely issue from the results of the November 15 election in Quebec, and I insist on this point. At most, the election of a new government in Quebec added a new element of uncertainty to an already precarious situation. On this point, it should be noted that, according to the Conference Board, new capital investments in Canada will drop this year and that this forecast is based on data which were compiled before the election in Quebec.

[*English*]

It is worth noting, too, that the Atlantic Economic Council has been pointing to this problem for some time as a major element behind the continuing difficulties in that region. It is time—indeed, past time—that the government of Canada faced up to this problem squarely and honestly. It is not going to help the situation one iota for ministers to begin, as some of them have already begun, at least by insinuation, to try to shift the blame for the problem to the new government of the province of Quebec rather than to the policies of the government of Canada. If investors have any concern about the future course of political events in Quebec, that is all the more reason for their being able to look to the federal government with some sense of confidence and some sense of reassurance.

Some hon. Members: Hear, hear!

● (1540)

Mr. Clark: So if it has been important for the government of Canada to create a climate of confidence in this country prior to this point, it is even more important now. That sense of confidence has been sadly missing for far too long. When we needed a climate of certainty we had a government that consistently changed the rules, often in the middle of the night and often without warning or, just as bad, a government that left important sectors of the economy hanging for years with no rules at all. Perhaps when one looks at all this, the difference in the approach of the two principal parties in the country to the economic future of the country and our capacity to create jobs and realize our potential, in the final analysis it comes down to a basic view of this country.

The Prime Minister and this government talk a lot about the virtues of Canada and why Canadians in all parts of the country want to keep it together. I do not doubt for one moment their dedication to the principle of unity. Of course they are committed to it, as all of us are committed to it. But the more I see of this government, the more I watch and hear their responses to the critical problems of Canada, the more I am struck by how little they really expect of Canada and how small and narrow a vision of this country they offer to Canadians.

That small vision makes it easy for them virtually to ignore the 800,000 jobless. They do not seem to believe Canada can do any better than that. This is a government which offers no real hope to Canadians, because it has no real hope itself. If there is any danger that Canadians are uncaring about the unemployed and the underemployed among us—and I do not believe Canadians are uncaring—it is partly because they have a federal government that does not seem to care.

Some hon. Members: Hear, hear!

Mr. Clark: We have been given a great gift in this country—a gift of potential to grow, to find opportunities, to express ourselves, to build secure lives, to build good families. This is a country whose potential is literally unparallelled in the world—a country of great promise. The sadness is that we are not realizing the potential for growth, for jobs or for progress. Instead, we have a country dominated by unemployment, by anger and by a growing sense of despair.

Unemployment

In a speech the Prime Minister made recently outside the House he indicated some fundamental changes in the rigid approach to federalism that has marked the government's conduct in the past. We have yet to see the proof of that promise although it has been made. I take the occasion of introducing this motion to make the point clear that we need from this government, immediately, an indication that it is prepared fundamentally to change its approach to economic progress in this country. We have been stagnant too long. We have a country to build. We have jobs to encourage. We have great promise to achieve. It will not be done by the timid policies of this government. It will only be done if there is determination to realize the potential of this country.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on behalf of the New Democratic Party to give our unqualified support to the motion before the House.

Some hon. Members: Hear, hear!

Mr. Broadbent: I do so because since this parliament returned last fall after the summer recess we have been saying that the number one issue before Canada, both in economic and human terms—and not just the people of Atlantic Canada or Quebec, as important as their problems are—is that of unemployment. Although the official figures published within the last couple of days indicate that 889,000 people are unemployed, for reasons that I and other members of my party have tried to make clear in recent days the accurate figure realistically describing the number of Canadians out of work is over one million. That is the highest level of unemployment not only since Statistics Canada has been providing data but since the depression. Politicians frequently indulge in rhetoric that causes language to lose its original meaning, but in this case we have what can only be appropriately described as a human tragedy for over one million Canadians.

We support the motion because we believe it is a fundamental objective of any government at the national or provincial level to create opportunities for work. If there is anything which my party and I stand for in global terms—I refer to the social democratic movement—it is the opportunity within the framework of the economy of any country for men and women who want to work to do so. People in Canada, as elsewhere, want jobs; they do not want hand-outs.

Some hon. Members: Hear, hear!

Mr. Broadbent: After all kinds of pressure—indeed, I am prepared to acknowledge pressure within their own ranks—this government created an unemployment insurance system that is good. What it has not done is to provide the complement that social democratic parties have always done—assurance of the possibility of work. If you have a social insurance scheme that enables people to live with dignity when they are out of work, the absolutely essential concomitant to that is a commitment to full employment to minimize the number of jobs at any time without occupants. It has been the total failure of this government to consider that option that is so objectionable and so fundamentally distasteful to anyone who is concerned. Human dignity can only come to individuals and their families from the capacity and opportunity to work, to contribute to their families and to the community through productive labour.

We believe in the motion basically because of our commitment to the right, as we see it, of all Canadians to have a job and an opportunity to make their contribution. We are, and have been, concerned about the direction of this government because of its mishandling of the economy leading to serious negative consequences for the country. If more of the 93 per cent of the people who have jobs are not as concerned as we would like about creating opportunities for those without work, at least they should be concerned about the immense cost of this level of unemployment to the economy and they should be moved by the economic arguments. In 1972, $1.9 billion was paid in unemployment insurance benefits; in 1975, the figure was $3.1 billion.

● (1550)

If you compare the first nine months of 1975 of unemployment insurance pay-outs with the first nine months of 1976, which is the most recent figure available, we see that in 1976 we were running well ahead of 1975 in terms of what it was going to cost in unemployment insurance pay-outs for people to do nothing. In the first nine months of 1975 it cost Canadians $2.6 billion in unemployment insurance pay-outs. In the comparable period of 1976 it cost $2.8 billion—up .2 per cent. There can be no doubt that when the final figures are in for 1976 we will have spent more than ever before in Canadian history on unemployment insurance pay-outs to people who need and deserve the money. There should be no mistake about that. If people cannot have the opportunity to work, we must ensure they have the economic subsistence to get by. My point is that it is an immensely stupid drain on the economy to pay people to do nothing.

Some hon. Members: Hear, hear!

Mr. Broadbent: Second, if you calculate the lost production in goods and services which we would have had if these men and women had been working, it costs the Canadian economy about $6 billion a year. That would go a considerable way toward reducing the rate of inflation. Increasing the supply of goods and services, as every economist knows, would have the effect of bringing down prices. We are losing that production. Finally, in terms of economic costs we are losing hundreds of millions of dollars in tax revenues that these men and women would be paying if they were employed. Because they are not employed, and therefore not paying the level of tax they would pay if they had jobs, other working Canadians have to bear a disproportionate share of the tax burden. In addition to the human costs which are fundamental to us, the economic costs to the Canadian economy in billions of dollars year after year should cause all Canadians to be concerned about this question. It should motivate even this sterile government to take some concrete steps to turn the economy around.

The phenomenon we are dealing with is not a recent one. It is important for us to absorb that fact. It is not a new practice of the Liberal government. In fact, it is not just characteristic of that party. The last time we had comparable levels of unemployment, although they were not quite as bad, was during the last years of a Tory government. In the period 1962-63, unemployment figures were setting new levels of undesirableness for the Canadian economy. What I am saying is that this pattern is characteristic of parties in this country which have governed at the national level. They do not believe in taking the steps that are required in terms of national economic planning to deal with both unemployment and inflation.

Mr. Stevens: Like in the United Kingdom.

Mr. Grafftey: Like the socialists in the U.K. Tell us what is happening in England.

Mr. Broadbent: I am hearing examples of governments trying to clean up decades of Tory mess. They are trying to clean up decades of Tory mismanagement. Listen to the statistics. I will give the figures for the United Kingdom and a few other countries. Here is the record, comparative terms, of the eight leading industrial countries. These are the average unemployment figures for the period 1960 to 1974. The best is West Germany, which has had a social democratic government for years, with an average of .8 per cent. The next is Japan, with 1.3 per cent. I give credit to Japan because they believe in some economic planning, unlike the Tories to my right or the Liberals across the way. Third is Sweden, with 1.9 per cent. Fourth is France, with a 2.3 per cent average. Then the United Kingdom, with a 3.2 per cent average; Italy, with a 3.6 per cent average; and the United States with an average level of 4.9 per cent.

Which country in the industrial world has the worst average of unemployment? It is our own. The average rate of unemployment for that period in Canada, I am ashamed to say, was 5.4 per cent. That was up to 1974. As the Minister of Finance (Mr. Macdonald)—who is in the chamber today—knows better than anyone else, the average since 1974 has become worse, not better.

This government has done virtually nothing. We raised this issue last fall at the opening of parliament and in special debates just before Christmas. Even after a month's recess at Christmas the government did not come back with a commitment to do something to provide jobs for the more than one million Canadians out of work. If we look at what they are doing now in terms of allocation of funds for direct job creation, compared with a few years ago when the level of unemployment was lower, we see they are even doing proportionately less than at that time. For the year 1971-72, when the unemployment level was 6.4 per cent, the government spent $603 million on direct job-creation programs. In 1976-77, when the unemployment rate had jumped to 7.1 per cent, the amount spent by this government on direct job-creation programs had dropped to $264 million. For 1977-78, the current fiscal year, with an unemployment average being forecast for the year 1977 of between 7.5 per cent and 8 per cent, this government plans to spend only $243 million in direct job-creation programs.

Surely this is a scandal. It is something that a government with any sense of human priorities would not tolerate. A few years ago, when unemployment was significantly lower, they were spending almost three times the amount in job-creation programs. The government is an uncaring one, one that is motivated, in terms of people-oriented programs, only a few months before an election. It is a disgrace.

Having said these things about the government, I must say that I regard the official opposition, to understate it, with considerable skepticism as they now express their concern about unemployment. I simply cannot understand that party putting a motion before the House at this time which does not even call for a vote of non-confidence in the government. This at a time when there are over one million people out of work. In recent weeks and months that party has proposed changes to government programs that most seriously affect those from parts of Canada about which today they are allegedly expressing concern. I refer to the changes in the Unemployment Insurance Act which were first advocated by the financial spokeman for the Conservative party, who was in the chamber a few moments ago. These changes were also actively supported by the labour critic of the Conservative party of Canada.

Those two men, before the Liberal government of Canada brought forward this change in the unemployment insurance regulations, both inside and outside the House said that the basic entitlement period for a person to be eligible for unemployment insurance should be changed from the existing one of eight weeks to 12 weeks. It was the Conservatives who made that recommendation. It is the Conservatives who are now saying we should be concerned about the problems of Atlantic Canada and the province of Quebec.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Victoria (Mr. McKinnon) is seeking the floor on a point of order.

● (1600)

Mr. McKinnon: On a point of order, Mr. Speaker, I presume the leader of the NDP is making his charge in ignorance of the amendment proposed by the hon. member for Hamilton West (Mr. Alexander) which would make an exception for areas of high unemployment in connection with the qualifying period.

Mr. Broadbent: Quite the contrary. I am fully aware of the hypocritical amendment proposed by the Tory party. As I said a few minutes ago, it was that party which advocated the change from 8 weeks to 12 weeks. They have since discovered the thousands of Canadians who would be affected in Atlantic Canada. Just by coincidence this is an area which provides them with a large number of their seats. They got a political reaction and then introduced an amendment which would apply to certain regions. I say to the hon. member that an unemployed Canadian is an unemployed Canadian, and that it

doesn't matter whether he is in Ontario, Atlantic Canada or British Columbia. My party would not tolerate the kind of hypocrisy which has been indulged in by the Tories on this issue.

Some hon. Members: Hear, hear!

Mr. Broadbent: I want to put on record the number of Canadians in Atlantic Canada who will be directly affected by this Tory idea taken over by the Liberals. Assuming a continuing unemployment rate of 7 per cent, which is a conservative estimate with a small "c", the number directly affected in Newfoundland will be 16,500; in Prince Edward Island, 3,000; in Nova Scotia, 15,000; in the province of Quebec, about which so much concern has been expressed, 106,000. That is the number who will be cut off from benefits. Does it make any sense for a party like the Conservative party to rise in this chamber and express concern about the need for jobs, bearing in mind their advocacy of measures which would cut off from benefit thousands of Canadians who need such benefit now, not some distance down the road? That kind of hypocrisy is something which my party would never endorse.

I have put on record the number of persons who will be affected by the change which is coming in the unemployment insurance regulations as far as Atlantic Canada and Quebec are concerned. I should like, also, to mention the dollar value of these changes because of the impact on job creation. Newfoundland will lose between $24 million and $28 million. Prince Edward Island will lose between $4 million and $5 million.

The Acting Speaker (Mr. Ethier): I regret to interrupt the hon. gentleman, but the time allotted to him has expired. Nevertheless, he may continue if he has the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Broadbent: I appreciate the consideration of my colleagues and I shall try not to abuse it. I was listing the revenue which would be lost to the provinces of Atlantic Canada, and Quebec, because of the changes in the unemployment insurance law as proposed by the Conservative party and accepted by the Liberal government. Nova Scotia would lose between $9 million and $11 million for the coming year, and New Brunswick between $19 million and $22 million. In the province of Quebec, about which the leader of the opposition (Mr. Clark) rightly said we should be particularly concerned at this point in our history, the loss will be between $93 million and $102 million. This money would be directly beneficial to the families suffering from unemployment. It would also have a good effect on the economy, because these people, if they got the money, would be spending it.

We have said that something has to be done about unemployment. We say it should have been done last fall, two weeks ago, last week. We shall be happy if the minister will act next week. Maybe he will be moved now that the figure of over one million Canadians unemployed has sunk into his mind with all its human implications. We have called for direct tax cuts for people in the low and medium income brackets who will spend the money and stimulate the economy which at the present time is only operating at 85 per cent of capacity in the manufacturing centre.

We have called for the reactivation of government work programs which were put aside during the period of restraint, programs which would stimulate expansion at the municipal level across Canada. Third, we have called for a significant increase in home construction, low income housing, to meet both the need of job creation and the human need for decent accommodation. Finally, as a short-run measure, we have urged the government to take steps to provide new and extended insulation capacity in federal offices and residential buildings right across Canada. The government took up that suggestion more than a month ago and applied it to Prince Edward Island and Nova Scotia. We asked that there should be a national program in this area. This would not only create jobs; it would help toward the solution of an almost equally important question, the conservation of energy.

These, Mr. Speaker, are concrete steps which ought to be taken by a government which is truly concerned about the right of Canadians to work and the loss to our economy resulting from a million Canadians wanting to do something but being out of work. It is not enough, of course, for a government to deal simply with unemployment. It must simultaneously set up a mechanism to plan the national economy. This is what has been done in Sweden, in West Germany, in Norway and in Japan. A policy which deals with inflation for a time, moves on to deal with unemployment and then switches back again, is not good enough. We must plan the economy in a rational way so as to minimize, in a modern market economy, the amount of inflation while maximizing the number of jobs available for those who want them. That is the real issue.

Our party is committed to maintaining the capacity of our people to realize themselves as responsible citizens in their communities and among their families, and the most effective way in which they can do so is by finding jobs. It is time the government showed more sympathy with that objective.

I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the motion be amended by adding at the end thereof the following words:

"This House also urges that the government

(1) immediately decrease personal income taxes for those in the lower and middle incomes to stimulate purchasing power and take up the current slack in the economy,

(2) immediately reactivate all federal capital works projects and encourage the provinces and municipalities to follow suit, and at the same time, lift any restraint on shared funding of such projects,

(3) immediately expand—in consultation with the provinces—the capital budgets for low income and co-operative housing and land assembly,

(4) immediately launch an assisted repair and renovation program of homes owned by pensioners, the disabled and low-income families, and

(5) immediately launch a program—in co-operation with the provinces—of insulating or improving the level of insulation in all residential buildings—a program which would provide not only jobs but would also conserve energy."

● (1610)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the motion today provides a useful opportunity, by way of preparation for the budget, to hear the views of the various groups within the House on possible measures of economic stimulus that might be taken, just as in recent weeks I have taken the occasion to discuss the approach of the executive of the Canadian Labour Congress, that of various groups across the country and, of course, most recently that of the provincial governments last week.

By way of introduction, I would just indicate that my colleague, the Minister of Industry, Trade and Commerce (Mr. Chrétien) will be participating in the debate and talking in particular about specific federal commitments for industrial expansion, and more specifically in the province of Quebec. My colleague, the Minister of Manpower and Immigration (Mr. Cullen) will also be participating for the purpose of talking about his direct job-creation program.

Therefore, what I should like to do is to talk about some of the fiscal and monetary measures which have been effective within the last several months in particular in stimulating personal disposable income; to indicate that in many respects the measures which the leader of the opposition (Mr. Clark) and the leader of the New Democratic Party have put before the House are already incorporated in measures the government is taking; and also to make some comments relating to the very serious and important concern that exists about unemployment and the very serious concern we must have and continue to have respecting the level of inflation in Canada.

Firstly, I would review once more for the House the measures we have taken in the category of enriching personal disposable income. By a series of measures previously taken through legislative action in this parliament and effective as of January 1, 1977, there has been a transfer from the federal public sector of approximately $1,700 million, on an annual basis, to the incomes of individual Canadians. Indeed, adding to this particular transfer the equally automatic transfer that is effected by indexation of provincial tax in the nine provinces which participate in the tax-sharing agreements, there is approximately $2 billion worth of fiscal transfers, on an annual basis, which has gone to the incomes of Canadians. What this, therefore, means is that the various measures which have been taken in Canada will have some effect, indeed in percentage terms greater effect, on personal incomes of Canadians than the tax cut measures which President Carter has indicated it is his intention to put to the United States Congress.

Let me review these measures again in some detail. Firstly, the income tax indexation is well known to the House and I would only rehearse the figures involved. Canadians but for the indexing operation, would have had to pay, on an annual basis, in 1977 $950 million more than in fact they will now have to pay. Indeed, starting from the deductions effective as of January 1, 1977, those tax cuts are already going into the incomes of individual Canadians. As I have indicated, with the automatic indexing which is offered under the tax-sharing arrangements with the provinces, a further approximately $300 million has been flowing into the incomes of Canadians in the nine participating provinces in addition to the amounts of reduced federal income tax.

In terms of specific groups in the community, many of whom are in the middle and lower income groups, there have been not just tax reductions but actual increases in transfer payments—an increase in the transfer payments to old age security recipients of $390 million, on an annual basis, and to the recipients of family allowance $160 million, also on an annual basis. In other words, the senior citizens of Canada and families with children are already receiving increased payments on a monthly basis over those they were receiving in December, 1976.

Further, the working people of Canada, people in the work force who are contributors to and participants in the unemployment insurance program, are as of January 1, 1977, paying less by way of contributions to the program than they were required to pay in the year 1976. This reduction in unemployment insurance contributions amounts, on an annual basis, to $250 million. So you can see, Mr. Speaker, that on the basis of these various measures which are offered under existing legislation there has been a return to individual taxpayers, on an annual basis, of close to $2 billion in terms either of transfer payments or obligations to pay tax which have been forgone.

But that is not all in terms of stimulative effect, Mr. Speaker. I have talked about the impact of fiscal policy and I think I should also draw to the attention of the House the fact that within the last three months, with three successive reductions in the bank rate, the Bank of Canada, in monetary policy terms, has also increased the personal disposable incomes of Canadians. If I may make reference to a statement that was made at the first ministers' meeting on February 1, 1977, it was said there:

> We estimate that Canadian families, over time, stand to save about $1 billion a year in interest charges for each percentage point decline in interest rates. This saving breaks down into about $250 million on consumer loans and $750 million on mortgages. This, in itself, represents a substantial net addition to personal disposable incomes. There can be no doubt that it also strengthens consumer and business confidence.

That quotation is not of myself but of the provincial treasurer of Ontario, Hon. Darcy W. McKeough, who was talking about a $1 billion reduction for each point in the interest rate. Given the fact that the interest rate has gone down 1½ points, the reduction will be even more than that. Therefore, the combination of the reduction in income tax, the increase in transfer payments, and the reduction in the bank rate and, therefore, in interest rates that are payable by Canadians, has increased personal disposable income by more than $3 billion. These are measures which have been effective within the last two or three months. So when hon. gentlemen talk about further measures to stimulate personal disposable income, they are obviously ignoring the fact that those measures are already operative within the economy, that individual Canadians are already being spared additional tax or interest payments

which, but for these measures supported by this government, Canadians would have had to pay.

If I may go to some of the remarks made so far, may I first comment on the speech of the leader of the opposition and then that of the leader of the New Democratic Party. In his remarks the leader of the opposition made reference to job-creation rates. I think I would have to emphasize that one has to be concerned at the current level of unemployment in Canada, and one has to guard, as well, against any undue optimism when presented with the figures for January, 1977. But there are some elements which could have a positive potential from the standpoint of the work force. I refer, for example, to the fact that since December, 1976, there were 69,000 created jobs among that group within the age bracket 15 to 24, which is one of the groups which has been most severely hit by increased unemployment since August, 1976.

In other words, for the first time since that year the figure respecting the younger members of the work force has turned around and shows an increase in the month of January. In addition to that, smaller increases occurred in the number of men and women over that particular age, making for an increase of 79,000 jobs in Canada since December, 1976.

The hon. gentleman made reference to the government's having ignored Quebec in regard to particular measures, and my colleague, the Minister of Industry, Trade and Commerce, who is here with us for this debate, will have a specific opportunity to give, chapter and verse, the measures which have been taken under his direction to provide an active and more competitive economy for that particular province.

I followed with interest—because it was important to follow the suggestions of the leader of the opposition—some of the measures that he would have included if the presenting of a budget had been within his responsibilities. I find again, as I have already said in my general statements, that there is a substantial measure of agreement between the hon. gentleman and myself. Indeed, to a very great degree the points which he enunciated are ones which are now effective or operating favourably in the economy. If I understood him correctly, he would, if he had responsibility, have committed himself to no increase in government expenditures. That has been the policy of this government.

● (1620)

Mr. Broadbent: That is right.

Mr. Macdonald (Rosedale): That has been the policy since the statement of October, 1975, and, indeed, will continue to be one of the elements which guides us in our continued concern about the impact of inflation in Canada. The hon. gentleman said that he would have preferred stimulating consumer demand, he having said at another point that the Carter administration has stimulated consumer demand by allowing increased personal disposable income. Therefore, why should not the same thing be done in Canada? Of course, I just dealt with that, Mr. Speaker, by pointing out measures which will provide about $3 billion on an annual basis. They are now in place and in operation.

Let me say a word about housing. I make this comment both to the Leader of the Opposition and to the leader of the New Democratic Party (Mr. Broadbent). It is interesting to note that despite all the rhetoric one hears about the housing policies espoused by this government, particularly those set forth to this House by my colleague who is now Minister of National Defence (Mr. Danson) but who was then minister of state for urban affairs, this government created on an annual basis in 1976 the highest rate of housing unit construction which we have known in Canada. The figure as at the close of the year was 279,000 units. That is the highest level of housing starts which we have achieved in Canadian history.

Mr. Broadbent: Yes, but the population is higher, too.

Mr. Macdonald (Rosedale): It is well above the level stipulated by the government when it said it would need to create one million new housing units in the next four years. The rate is well above the annual rate necessary to achieve that. It is interesting to note, in connection with the building of those 279,000 housing units across Canada, that the government of Canada, through various programs introduced by my colleague, has been responsible for assisting in the creation of 120,000 of those additional housing units, particularly for those at the lower end of the income scale. I had occasion to refer to this fact in recent days during the course of debate when dealing with projects such as the Dundas-Sherbourne project in my constituency which will provide housing for low-income Canadians at the bottom of the income scale. As well, the government has assisted many others at the middle range of the scale, through the Assisted Home Ownership Program, in being able to finance a home. In general terms, the government has provided substantial assistance and has made a substantial contribution to the achievement of the record figure mentioned. Indeed, although the current rate of housing starts observed in January, 1977, has fallen off the dramatic rate obtained in 1976, the rate has not fallen off severely. I notice that the rate for 1977 is projected at 268,400 houses, which still represents a substantial contribution and is still ahead of the target which the minister set forth in his statement one year ago.

I now come to regional development incentives. I think we shall need to study what the leader of the opposition said in this respect.

An hon. Member: That program is a farce.

Mr. Macdonald (Rosedale): We shall need to see to what extent his proposals vary from the substantial panoply of measures which the Minister of Regional Economic Expansion (Mr. Lessard) now has in operation particularly in Quebec and Atlantic Canada. I noted one interesting innovation contained in the remarks of the leader of the opposition—his suggestion that particular assistance should be given to research and development projects of corporations. I shall take careful note

of the hon. gentleman's words in this regard in the course of the preparation of my budget.

I now turn to the leader of the NDP. He began by saying, as he has so often in the past, that we have ignored job creation in Canada. My colleague, the Minister of Manpower and Immigration, will in an effective way be able to deal with programs which he has put in place for the purpose of direct job creation. The hon. gentleman raised an interesting point and suggested that because the rate of growth of the Canadian economy is down, some Canadians are not making the level of income they might otherwise expect and other Canadians are therefore paying a greater level of taxes. That is not correct. Indeed, as I have already said, the level of taxation is down as a result both of the tax measure which we hope will soon be enacted and as a result of indexing.

Therefore, there has been no increase in the impact of taxation upon Canadians. On the contrary, there has been a reduction. Of course, the federal government by assuming a deficit has for this period of time been prepared to pick up the difference in order to avoid imposing an additional burden.

As I have pointed out already, the direct tax cuts are in effect. Approximately 120,000 housing units have been provided for those who are largely in the low and middle income brackets. These measures have already been put into effect.

Let me make an observation about the amendment which has been moved. The hon. gentleman opposite talked about unemployment at present, but he is not concerned about present unemployment when the building season starts or when planning can be completed and major projects undertaken later this year and in 1978. In that sense it is difficult to follow his reasoning when he suggests there should be reactivation of federal capital works projects and that provinces and municipalities should be encouraged to follow suit. For reasons which I have indicated many times previously, we think there must be restraint on public expenditures in Canada in order to provide an opportunity and room for expansion in private expenditures. It is clear that legislation enacted to provide for capital works projects would not for months and months produce any major new jobs.

Mr. Broadbent: For the first time, you are right.

Mr. Rodriguez: That is why you should have started one year ago.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): Mr. Speaker, I listened with calmness and courtesy to the leader of the NDP. Perhaps his eager colleagues might show me the same courtesy. Whether or not any capital projects are now brought forward, it is fair to observe that any such projects would not assist substantially this current winter in dealing with present levels of unemployment.

Before I conclude my remarks, let me say that I have given an indication to the House of the increase in personal disposable income which has resulted from the fiscal and monetary policies espoused by this government. I have indicated the direct expenditures which the government has made in fields such as housing and direct employment creation. In a few minutes the House will hear from my colleague, the Minister of Industry, Trade and Commerce, to the same effect.

In closing, I wish to bring to the attention of the House a matter of fundamental concern since it is important to look at the economy in a balanced way. We do not think we can look on the economy with one eye, as the hon. gentleman opposite did. One of the factors which distinguished the speeches of both hon. gentlemen who preceded me was that they, apparently, are happy with the 6 per cent rate of inflation in Canada. They were not concerned enough about the inflationary challenge which Canada faces at present. They showed no evidence of concern with respect to what a continuation of inflation at the present rate, or even several points below the present rate, would do to Canada's economic competitive position in the long run.

When debating the economy of our country, it is fundamental to understand that we cannot afford "one issue politicians", politicians who talk one day about inflation, the next day about unemployment. We need to take a balanced look at the economic problems we face and, at the same time, try to bring forward measures which will deal with unemployment in particular sectors of the economy such as younger age groups. At the same time, we need to deal with structural problems which are evident in certain regions. But we have to do so within a framework which makes certain that the success we have gained until now in reducing the double-digit rate of inflation to below 6 per cent is not only a gain that can be held but one that can be added to by even further reduction, because in the long run the problem of inflation is also the problem of unemployment.

● (1630)

If Canada continues to run a level of inflation above that of our industrial competitors, if we continue to have a level of industrial costs and a level of industrial wages in particular that runs substantially above those in the countries against which we compete in foreign markets and which compete against us in our own markets, then we will not only be concerned about the impact of inflationary increases on our personal lives but people will be concerned about losing their jobs, for the loss of competitiveness by the Canadian industry will mean, in the long run, a far greater challenge to the job picture in Canada than any of the temporary changes in the economic cycle which we have known up to this time.

I would like to say one more thing in closing, I think the leader of the opposition employed some admirable rhetoric in talking about our country. At the start he spoke about the growth potential and the promise and possibility of Canada. I agree with those two terms. I think we do have an enormous growth potential, and there is enormous promise and possibility in Canada. But one thing we have to remember, all of us from political leaders through to the working man on the assembly line, is that while we have enjoyed a very high

standard of living in this country, we have enjoyed it by reason of being able to retain our own costs in control and by remaining competitive in our markets at home and abroad.

Unless we are effective in restraining the rate of inflation in Canada, we are not only not going to be able to compete abroad but we will have difficulty sustaining the position of our manufacturing industry in our own markets. It is for this reason that I find many of the suggestions made by the hon. gentleman not to have been a constructive approach to the very serious economic problems which we have. But I would have to say, in all fairness, that one of the points made by the leader of the opposition was indeed a constructive suggestion, and several of those made by the leader of the NDP were in the same vein. I will consider those as I will be considering the suggestions and observations of many members of the House and many people throughout Canada in preparation for the budget which I hope to be presenting to this House within a matter of some months.

Just before I conclude—I see the leader of the opposition is back in the House after being out of it—I would like to say that I find myself in the same difficulty in which he found himself. Because of the shortness of notice, I was not able to move all my appointments, and I will not be able to remain in the chamber for all the speeches. I hope hon. members will not regard this as a discourtesy, and I apologize to them in advance.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I am glad to take part in this debate. First I should like to thank the author of the motion and those who chose this opposition day to raise a matter so much discussed throughout the country. We know that when speaking about unemployment, there are huge difficulties involved. I really appreciate that the province I am living in was specifically mentioned together with Atlantic Canada which faces even more serious difficulties.

Mr. Speaker, I too listened to the speeches like the other members of the House. I heard the answers by the minister a few moments ago who was pointing out the effort his government had made, the expenditures his government had incurred, the decisions his government had taken recently. Of course the government has to make some decisions. What is unfortunate is that those decisions are often long overdue. The government takes decisions every day because it has to and it seems to me that the government was not able to do anything to foresee the difficulties and hardships that Canadians have been facing in recent years.

After listening to what the Minister of Finance (Mr. Macdonald) just said it seems that the situation is not so bad in this country. The government acted with enlightened moderation, and we just have to go out of this House to see the difficulties and the misery that we are now facing and not only in Quebec, but in several provinces of the country. I think that the question is very relevant and that it is important to recall certain things to hon. members.

[Mr. Macdonald (Rosedale).]

I remember very well that in 1968, for example, when I came in this House as a new member, we were told that unemployment would be reduced. At that time, there were approximately 170,000 unemployed. The government had this very important goal which was included in its principle of a just society; it wanted to fight unemployment. There were 170,000 unemployed. Then, from that figure, we passed to 200,000, 300,000, 400,000, 500,000 and then came the inflation factor. I remember that the Prime Minister stated publicly: "You know, there are 500,000 unemployed and inflation is starting to eat up everyone's wallet. You will have to get used to unemployment." So, with about 500,000 unemployed, the government tried to have Canadians admit that unemployment was not only temporary, but that it would remain and that we had to take steps not to fight it but to maintain it. And that we had to create unemployment to fight inflation. Finally, Mr. Speaker, we have both, inflation and unemployment. I still hear the minister saying today: Despite all of this the situation is not too bad, the government has a sound administration.

● (1640)

There are many government members in this House who are very well aware of the difficulties facing Quebeckers. Of course, one would be tempted to accuse the provincial government, and not only the one in power since November 15. The difficulties the premier of Quebec had since 1966 with this government are well known and we recall that over the years the federal government has given more than one negative answer to recommendations made by Mr. Bourassa's members of cabinet. We all remember that but of course we will not talk too much about it today. Nevertheless, unemployment is in a precarious state in Quebec.

Those were this government's objectives and commitments. And if one dares accuse the government for failing to take action, for lack of vision, then we have no solutions. In addition, it seems that someone is always trying to make us believe that the government has done everything. If the government has really done everything, Mr. Speaker—I had counted 500,000 unemployed, but today, in 1977, the number has reached 800,000 and according to some very conservative economists, in 1978 we will break the one million barrier, as it were—well if that was the Prime Minister's objective, to get used to unemployment, I do not think Canadians are willing to pay for and support a million unemployed in the country.

So, Mr. Speaker, the only patent result of this government's administration in the last ten years is a complete failure as regards the fight against unemployment and inflation, I am led to believe that it was easier for the government to create unemployment than to create jobs. I think we will agree on that. There was also some talk about economic investments that would create jobs. We will be reminded of course of the extraordinary expenditures made by the Regional Economic Expansion Department to create new industries.

To what extent, for instance, has the government cared for the preservation and protection of our Canadian industries? Every day some of them close and many are expected to close

in the future. It seems that the government has yet to find the solutions that will help protect our Canadian industry first.

Of course the government is going to talk about its free trade policy. We must open our doors to friendly countries, but little effort has been made to protect our industry in Canada. Should I recall the dramatic situation in the textile industry and hon. members from Quebec who are here know this. The situation in this industry has deteriorated. Of course we had to accept foreign products but I do not think we were seriously concerned about the future of the textile industry, particularly in Quebec where it employs thousands of workers, and in high unemployment areas. This situation results from the lack of courage, the lack of audaciousness, the lack of initiative of a government towards a particular industry. Quebecers know what price they have to pay for it, when we consider that in the manufacturing sector one worker out of four is in the textile industry.

The Minister of Industry, Trade and Commerce (Mr. Chrétien) made a statement recently; many people are concerned but he made a statement after God knows how many other ministers had let this industry fend for itself. This afternoon the Minister of Finance (Mr. Macdonald) announced some economic injections or some cost-sharing programs, but the harm is done.

How would it be possible to give a new direction to this industry, to ensure the contribution our industries and Canadian workers are entitled to? How many years will it take for Canada to recover a market which was once controlled by a Canadian industry. Therefore I suggest once again that one can blame it on the weakness, the lack of leadership, of foresight or courage on the part of the government in its relations with importing countries.

A few days ago I was informed about the catastrophic situation in which the footwear industry finds itselfs. Questions are in the air, we are being asked: what are your solutions? We should see that industries be reoriented and stabilized as soon as possible. Some of them have closed their doors; the structure is still there, ready to receive workers and to manufacture something. No question of it and in the footwear industry the same policy applies. The policy was one of no intervention but our footwear industries have also difficulties, even in Quebec, and I am talking about federal decisions. Talk about public powers! That means important loss of jobs for the province of Quebec. But we will come back on that point later.

The government will compensate with fantastic amounts of money spent for social programs. There has been a good deal of leadership in that field. With social programs we are going to keep one million unemployed and we are going to increase pensions of every description but we are going to get people used to it and corrupt a whole generation with unemployment! A whole generation will get used to living on unemployment benefits and we are going to deny older people the right to retire at 60 if they wish to do so. We never said that old people should be compelled to retire at the age of 60, but I wonder why should the government not consider that people aged 60 and concerned about their physical condition might find it logical and rewarding to ask for a well deserved rest and a well deserved pension, and leave room for the thousands of unemployed young people we have in this country. From the point of view of productivity, it is far from being outstanding. The possibility of creating an optional retirement pension has been mentioned to the Minister of National Health and Welfare (Mr. Lalonde). I do not mean anything compulsory. Thousands of people between 60 and 65 might feel ready for a little rest after having served their country and worked in industry during 40 years. But, no, it would be too expensive. Maybe the government thinks it is a better idea to maintain almost one million unemployed.

As I said earlier, Mr. Speaker, it seems easier for this government to find money or new ways to maintain thousands of people without work than to create job opportunities. Should I remind hon. members that agriculture was far from being a success in 1976. I remember that some of our friends from Quebec on the other side were far from being happy with the government policy. I even remember hearing the Minister of State for Urban Affairs (Mr. Ouellet) confess publicly, barely three weeks ago on television, on a Sunday night, that his government has made a colossal error with regard to its dairy policy. He did not say so in the House, but he did in answer to questions put to him that night. I have not heard the Minister of Agriculture (Mr. Whelan) support the Minister of State for Urban Affairs, but I do agree with the hon. member for Papineau when he says that colossal errors were made with regard to the dairy policy.

We know what that cost Quebec last year, and that Ontario producers paid through the nose, as a consequence. But once again, credits will be voted for social measures and we will be expected to applaud the government. That is why we feel the government has failed in its responsibilities, because it did not have the foresight, the courage and, above all, the initiative to plan employment, I should say to protect and keep what jobs there are in Canada. So, what was done to protect and encourage Canadian industries is not too bright. This opposition day gives us the opportunity of reminding the government that we are asking it to provide money for creating new jobs, but the most basic decency demands that we should first of all save our industries and protect those jobs, especially when we know that Canadian consumption can use up Canadian production.

● (1650)

As for housing, a small $500 program was provided to attract buyers and promote expansion in that field. It did not last long and, when we are faced with increased unemployment and huge difficulties, they take away the $500. Nowadays it would probably cost $1,000 to put the housing industry back on its feet again.

The minister mentioned earlier an increase granted last year to that effect for the number of units but failed to mention at what cost. And to think that today the average worker will commit himself for 30 years and pay in interest 1½ times the real value of his house! But they do not talk much about that.

The important thing for the government and producers is that policies have been set up with regards to loans and loan granting has been made easier. It posed no problem. Pay back when you can!

In agriculture, the same thing goes for milk producers. The government compelled farmers and milk producers to borrow, that no one can deny. Whenever someone wanted to borrow $30,000 from a farm loans office to upgrade his operations, the government would say: You cannot go wrong, you are going into the milk industry, you will have the good life, your children will follow. That is why you do not need $30,000 but $60,000. You do not want to buy 30 cows, you want 50.

Everything is settled and for a long time. But after only one year, the farmer had to give up a certain number of cows. I am not going to rehash the same story but the minister is looking at me and I am certain that people in his own riding have told him the same story. It is not the case only in my part of the country, it is the same everywhere. As a matter of fact, I remember that some Liberal members who sat on the Committee on Agriculture last year were not happy about this policy.

We now blame the government for not having had the necessary foresight, for having badly oriented certain groups of producers and also for having given thousands of Canadians illusions about their position and for not having been able to protect them at that level. I now would like to talk about the cuts in research budgets. In the long term, Mr. Speaker, we know how costly this can be for Canada. Experts tell us so, and I am not the one who invented this, I would not be able to do so. I have read some material like everyone else. Some people want to cut expenditures in research. Once again we shall let foreign countries make the inventions and we shall once again depend on these countries to sell them to us at the prices that they will choose. But it is not a part of government policy to provide, maintain and emphasize research to constantly protect Canadian industry, for Canadians and by Canadians. I think this would be more logical. But no, cuts must be made! There is growing concern about this and university specialists tell us about this, not only to us, members of the opposition, but to all members of parliament, and the government is surely aware of it.

Earlier the minister explained the efforts that he is making. Mr. Speaker, we have to be glad about this opposition day on unemployment and take the opportunity to repeat certain things as I am doing. As a Quebecker, I deplore the inertia that the federal government has shown for too long and its lack of foresight, which has been very costly and which has placed the province of Quebec in a difficult situation because of extremely high unemployment rates.

I was looking at unemployment levels in various areas. I know that certain members on the other side must be terribly concerned when, for instance, the rates are up to 19 per cent in northern Quebec. In some places, they are up to 11 per cent and 13 per cent. The situation is bad in the Gaspé Peninsula when the unemployment rate has reached 22 per cent. We would be happy to listen to the Minister of Finance say that the government has made tremendous efforts and that we should be satisfied with these efforts.

Mr. Speaker, I know that my time has expired and I hope that this day will have been beneficial by urging the government to reflect about what has been said in the House today. I would like to repeat that in Quebec, we are waiting for the government to take specific stands. I assume that Quebeckers opposite will take this opportunity to remind their government they have failed miserably to remedy the unemployment situation for lack of a policy.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. Before recognizing the minister it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Vaudreuil (Mr. Herbert)—Canadian Pacific Railway—Commuter service in Montreal area—Request for report; the hon. member for Elgin (Mr. Wise)—Trade—Level of cheese imports—Government position; the hon. member for Winnipeg North (Mr. Orlikow)—Manpower—Canada Works Program—Funds for native projects in urban communities.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO GENERATE JOBS

The House resumed consideration of the motion of Mr. Clark (Rocky Mountain):

That this House denounces the government's failure to generate jobs in Canada, particularly in Quebec and the Atlantic Provinces, and urges immediate and resolute action, including the early presentation of a budget.

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I welcome this opportunity to rise in this debate after having had the pleasure of hearing the hon. member for Joliette (Mr. La Salle) for a few minutes. I submit the Minister of Finance (Mr. Macdonald) said nowhere in his speech—

The opposition leader is leaving the House. I realize he has to work very hard to keep his job.

I do not remember hearing the Minister of Finance ever saying we are satisfied. We are not satisfied. As the Prime

Minister said a few days ago in this House—as long as there is one Canadian in this country who wants to work and cannot find a job we will not be satisfied. We work from that principle. What we want to do is try to improve the situation considering the circumstances in which we find ourselves.

We have problems, I admit, but if hon. members opposite want to give us credit for it, which I doubt, I will say that in the last three years while the United States of America, the most powerful western country in existence, was for 27 months in a period of recession we, in Canada, managed to go through a period that was not one of recession. We did not have a period of great economic growth but we went through a period in which we did not go below the zero line as was the case for the Americans during 27 consecutive months. We encountered certain difficulties but of all countries of the western world in the last three years we were probably one of those which were the most successful. In spite of that I must admit we had problems and that we still have problems. But the problems we face in Canada are probably not more difficult to solve and not more serious than those of other countries.

I understand the hon. member, and I agree with him when he says that it is not good that workers who want to work should not find jobs. However, I believe that we managed in Canada in the last 15 years to give ourselves a social structure that allowed us to reduce to a certain extent the ill effects of unemployment. Today we can be proud of the fact that generally speaking in our society there is suffering but nobody is starving or freezing. There are always a few individuals who for particular reasons are in that predicament. But this government's program vis-à-vis the social needs of the people of this country is probably the best in existence to the point where today many Canadians claim that the fact that we have such a generous unemployment insurance plan has become for certain people an escape door to avoid their responsibilities vis-à-vis work.

I would not want to waste my time in this large debate. I would rather simply concentrate on what we have done in recent months to provide specific help for certain industries in difficulty, particularly in answer to the motion by the leader of the opposition whom we saw reappear in the House. He does not come here often. We are quite happy to see him when he shows up, and see him today raise the problem of Quebec and the Maritime provinces.

Mr. La Salle: He has too much work.

Mr. Chrétien: I do not think it is because he has too much work, Mr. Speaker, but every time the leader of the opposition appears in the House, he looks so pitiful that he does not come back the following day, this is obvious. The Prime Minister tears him into pieces and I do not blame him for staying away, because if I were in his shoes . . .

Mr. La Salle: Those are not good arguments, Jean!

Mr. Chrétien: It is a humble way to confess that he is very appreciated. I wanted to say, Mr. Speaker, that in the last few months, we have taken specific initiatives to try to alleviate the situation in the province of Quebec. Let us take for example our textile policy. I heard the hon. member for Joliette (Mr. La Salle) raise that problem earlier on.

Mr. La Salle: Yes, certainly.

Mr. Chrétien: Last night, Mr. Speaker, there was a program on Radio-Canada, "Consommateurs avertis" where in general all policies of the government are criticized; but in this half an hour program, where normally the consumers are supposed to be against the new textile policy that we have established in November, "Consommateurs avertis" gave its support to all decisions which have been taken. Besides I believe it was the first time in many years that the unions, the industry and the government worked hand in hand towards a common goal.

Mr. La Salle: We have waited 10 years for that!

Mr. Chrétien: I am sorry but in 1970, when my colleague Jean-Luc Pepin held this portfolio he announced a new textile policy which allowed us to modernize our industry. I believe that today the textile and clothing industry in Canada is strong enough to compete with other developed countries. The representatives of the Canadian clothing and textile industry gave me their assurance that they were not afraid anymore of American or European competition but they pointed out that I had to protect them against countries such as Taiwan for example, where textile workers are paid 46 cents an hour, while in Quebec and in the rest of Canada textile workers receive 10 per cent more than in the United States.

That means we were able to increase our productivity, and with the protection we have announced last November 29, we hope to be able to restore some balance.

Mr. La Salle: I agree with that.

Mr. Chrétien: Mr. Speaker, we must also take into account the consumer's interest and the needs inside our country. If we close our borders tight against imports in every field, we will be penalized because we are an exporting country. Last year we exported $1.3 billion more than we imported, which means that we are extremely vulnerable, and that under such circumstances it is required of the government and particularly of the Minister of Industry, Trade and Commerce that they use their judgement. The new policy about the clothing industry we have announced last November 29 has been welcomed by nearly everybody in Canada, and particularly in Quebec, and will be well accepted. But again, that is never enough.

Mr. La Salle: That is too late.

Mr. Chrétien: For 1977 I announced a policy to restore the 1975 level in Quebec, they said I should have chosen 1973. Had I chosen 1973, I would have been told to chose 1971. It reminds me of the story about the guy eating bread and maple syrup: some syrup to finish his bread and some bread to finish his syrup. One day he died because he never did finish. You have to stop some time and find the happy medium.

I should also like to talk about another program extremely important for Quebec, which the hon. member for Joliette did not mention and on which the press did not make an adequate report unfortunately.

Mr. La Salle: My time had expired.

Mr. Chrétien: He talked about all kinds of things, but I am glad to see he would have talked about it. On October 29 last, exactly one month before the establishment of the textile policy and of course, I have only been holding that position since September, I announced that Canadair in Montreal would undertake a program for the construction of a revolutionary executive jet, the Learstar. If the program becomes productive, we will directly create some 1,500 jobs at Canadair in Ville Saint-Laurent, which means more jobs than on the Olympic sites during the construction of that so popular stadium in Montreal. Unfortunately the press did not often mention it. And not only those 1,000 jobs directly related to Canadair.

● (1700)

[*English*]

This program will create 1,500 additional high-technology jobs in other parts of Canada. Some people felt I was taking a gamble going into that. I remember replying to some questions in this House. I stated that the prospects were not too bad and that I thought we had a good chance of selling 25, 26 or 27. I am glad to report to this House today that as of yesterday we signed 65 contracts and another ten will be completed very soon. The marketing is so good that we hope by the end of the year to have sold at least 125. The break-even point, Mr. Speaker. We have done this in the past two months. I wish the opposition would open their eyes once in a while.

We will give another illustration. In this morning's paper it was reported that we had sold a train to Amtrak in California—high technology, produced by Canadians, in Montreal. If the leader of the opposition (Mr. Clark) were around more often, he would know that. In fact, he would have mentioned it in his speech. He should thank me for that, but I guess he did not know it. Those are real words, "high technology." This train will be built by Bombardier-MLW in Montreal, it was announced today. It is right there. It is too bad that it was not mentioned in the motion. I do not know what is going on over there. They should look at what is really happening, rather than always trying to find skeletons and not finding any. I want to touch upon another matter.

[*Translation*]

... the construction of ships in Lévis recently. They had obtained orders for three ships to be completely rebuilt. However the subsidies for shipbuilding were not applicable because they were not new, they were entirely rebuilt. I felt they were almost entirely new and I succeeded in having regulations amended so that the Lauzon shipyard will be operating during the next 18 months thanks to the intervention of the federal government.

[*English*]

I am glad to see a member from Newfoundland in the chamber this afternoon. On February 4 the Canadian Development Corporation approved a loan of $14 million to support the sale of five tugboats to Norway. These are to be built in Marystown, Newfoundland. It will involve 500 man-years of work in Newfoundland. This is in an area that is very competitive. To date, approximately 85 per cent of all orders for shipbuilding in the world have gone to the Japanese market. This is because of their different techniques, and so on.

We are looking abroad, as well. I made a trip to Venezuela not long ago. I am quite happy to report to the House that a Canadian firm from Toronto submitted the two lowest bids for the Metro in Caracas. They have not yet signed the contracts. There are some problems. However, they were the lowest bidders in two of the contracts which the Venezuelan government placed on the table some months ago. This shows that Canadian entrepreneurs can be efficient. I am proud to see that. I am sure everyone knows of the large project which the Canadian government is supporting with a group of industries in Canada, the Canaven program. We hope to be chosen as the contractor for the construction of a huge railway in Venezuela.

There is not a country in the world that has more expertise in railway construction than Canada. Over the past century we have been obliged to build railways all across this land. When the bids were opened a few weeks ago Canadians were the lowest bidders in this very complex project which will cost $1 billion. We are not sure we will get the contract, but we were the lowest bidder. There are some technical problems to overcome, but at least we are in the game. The benefits from such a contract would be spread across Canada. I understand the rails would be made in Cape Breton. I am glad to see an hon. member from Cape Breton in the chamber. He is always asking me questions about his area, which is his duty.

If Canada obtains this Venezuelan contract, it will involve a large order of rails from the steel mill in Cape Breton. The engines and the cars would be produced in Central Canada, Hamilton and Montreal. We worked very hard to get this contract and we hope we will be successful. The main contractor would be from Alberta. CNR and CPR are involved. They are trying to bring together all the technological knowledge and ability that is available in Canada in order to do a good job in Venezuela. That is only part of what we are doing at the present time. The opposition chooses to ignore those positive steps we are taking, preferring to sit comfortably in criticism.

[*Translation*]

And I say it again, as long as there is one Canadian who wants to work, who is unemployed, we will be concerned. But miracles do not exist. There are extremely complex problems in a country such as ours. As far as I am concerned, my country is Canada. I have no hesitation on that, there is no other country in the world better than Canada, none more free than Canada. That is why we try, as in CANAVEM project, to unite the interests of Nova Scotia, Quebec, Ontario and Alberta to prove that we Canadians can accomplish something

positive for the well being of all citizens. We are not sitting on the fence as some are; at least, I am not.

In my riding I shall not ask PQ members for help to be elected. That is clear.

An hon. Member: You will be defeated.

Mr. Chrétien: Defeated? There is no danger for me to lose, that is clear. I do not go to bed with just anybody, that is also clear.

An hon. Member: Nor do I, I also choose them!

Mr. Chrétien: But it is really incredible to think that those people who want to divide Canada, who are not willing to make any compromise to stay within Canada, who want to separate, also want us to court them. I find that really disgusting and unacceptable. I will not make any proposal nor offer to those people, not for anything in the world. If the Parti Québécois wants to cooperate with me at the administrative level, if it wants to do what it was elected to do, that is to administer the province of Quebec, we shall help them. That is why I continue to make all the efforts I can so that Quebecers can take advantage of federal programs. But they will have to stop talking about independence, I can tell you that!

In Chicago, where I went, as well as in San Francisco, in Sacramento and in Los Angeles, the first question put to me was always the following: Will Canada be divided or not? This is not likely to help Canada or Quebec. They should deal with their problems and stop establishing planning committees whose terms of reference are to submit a report within six months or a year, and make concrete decisions.

In this respect, we should be clear and precise in order to continue helping Canadians from the east as well as from Quebec, I am glad to say it and I repeat it, not without getting arrows from the opposition. The hon. member for Sydney keeps asking me when I intend to introduce a decentralization program. As far as Sydney is concerned, I will soon, but I hope he will tell the hon. member for Grenville-Carleton (Mr. Baker) in the front row to stop complaining against that program.

• (1710)

[*English*]

You cannot have it both ways. You cannot ask for decentralization and let your House leader shoot arrows across at me all the time. I am in favour of a program of decentralization. It was the most important feature in the program of the leader of the opposition (Mr. Clark) when he was running for office but his seatmate was always against it. They want it both ways. I am not on both sides of the fence; I am squarely on one side of the fence.

The Acting Speaker (Mr. Turner): Order. I regret to interrupt the hon. minister, but his allotted time has expired. He may continue with unanimous consent.

Some hon. Members: Agreed.

Unemployment

Mr. Chrétien: For example, we are developing a data centre for the Department of National Revenue in St. John's. I am glad to see the hon. member for St. John's here: I hope he will be thankful one of these days. We have moved the Department of Veterans Affairs, not without criticism from the other side, to Charlottetown. We have moved divisions of the Unemployment Insurance Commission to Bathurst, New Brunswick. We are moving the superannuation divisions to Moncton. We have moved the cheque redemption division to Matane, and we have moved some data centres of the Department of National Revenue to Shawinigan and Jonquière.

An hon. Member: And St. Maurice, too.

Mr. Chrétien: Yes; and one in Shawinigan. We have done the same thing for Winnipeg, and one has gone to British Columbia. This is the kind of activity we are carrying on. So far we have decentralized 2,300 jobs which will be going from Ottawa into the field where there is need for jobs. The first phase of the program I am charged with will involve 5,500 jobs, more or less. There will be an announcement, because the opposition is so divided on this issue that I do not know where they stand. Anyway, it is too difficult for them to follow me in all my activities, so I will put it in one package in order that hon. members opposite can understand it. I was making announcements one after another and they could not follow. Therefore, I have to make one announcement so as to make it simpler for the opposition.

Mr. Ellis: Will the minister accept a question at the end of his speech?

Mr. Chrétien: Yes, Mr. Speaker, but I just want to conclude.

[*Translation*]

We do what we can. I hope people will start realizing that a debate is now going on that is harmful, and that we should, above all, work together in trying to solve current problems. I am told that yesterday the hon. member for Joliette said that an economically strong Quebec can become independent. Such a statement can help neither Quebec . . .

Mr. La Salle: I did not say that!

Mr. Chrétien: So much the better if he did not. That is what *Le Nouvelliste* of Trois-Rivières reported this morning. I am happy to hear the hon. member say he did not make that statement. It's all to the good! I congratulate him on not having said so. However, riding the fence can be dangerous: if one slips, one can fall on a post. When one is openly on one side, there is no danger.

I am a Canadian and I am not ashamed of it. Canada is a great big, beautiful country and I can fight for it. I trust the hon. member for Joliette will do the same in the province of Quebec instead of flirting with the separatists.

[*English*]

Mr. Ellis: After all the thunder we have heard, I want to ask one simple question of the Minister of Industry, Trade and

Commerce (Mr. Chrétien). Out of all the programs which are doing these great things, can he name one single program which will do anything for a man living in Hastings county? Let him name one program.

Mr. Chrétien: I should like to inform the hon. member that when we started decentralization two years ago, we decentralized a unit into Belleville, Ontario. Is that not true?

Mr. Ellis: A program of the Department of Industry, Trade and Commerce.

Mr. Chrétien: Every one of them.

Mr. John C. Crosbie (St. John's West): Mr. Speaker, we can all relax. I wish the 29,000 who are officially unemployed in Newfoundland had been watching the minister this afternoon. They could have relaxed, because according to him there is no problem. He has produced so many jobs that there is no unemployment in Newfoundland. The figure of 29,000 is a myth though 29,000 people have vanished in the miasma of the minister's remarks.

If they could have watched him speaking they would have understood us when we talk about an arrogant government. He tells us the government has done all that is possible to deal with the situation. If that is his admission, let him get out of office, because if the result of doing everything that is possible is to limit the unemployment figure to 800,000, and 29,000 in Newfoundland, to say nothing of the present figure in Quebec, he should get out of office.

● (1720)

The hon. gentleman is scooting quickly out of the chamber now, so we can relax. The hon. gentleman had the gall to mention, as a feather in his cap, the loan he is making for five ships to be built in Marystown. Newfoundland had to beg on bended knees to get the hon. gentleman even to consider that and to get the Secretary of State for External Affairs (Mr. Jamieson) to push for it. Then they tried to screw Newfoundland into having to put their credit on the line as well, and he claimed that to his credit. I say it is a shame that he did not agree to it long ago. Originally there were ten ships, not just five. So don't regard Marystown, Newfoundland, as any great employment creation job done by the minister in the last few months.

I could not believe my ears when I heard the minister say that there was no danger of his losing his seat. By golly, Mr. Speaker, I hope that the electorate in his constituency will hear about that. If a minister of the government or if any member of the House thinks that this wonderful, tremendous minister, who is doing such a job of creating so much work and who is so perfect, is not in danger of losing his seat, let me tell them that his seat will be in jeopardy at the next election.

This is a government which has the gall to call a program the Canada Works program. They should be calling it the "Canada does not work program", not the Canada Works program. To create work is why we need this wonderful program. They are giving Canada the works; that is their program. In view of the smug and arrogant speech made in this House today on unemployment, which is at its highest ever in the land, and particularly high in Newfoundland, Nova Scotia, the Atlantic provinces and Quebec, it is not any wonder that this government is in such disfavour and has but one straw to grasp, Quebec, which they are going to use for all they are worth. However, they are going there anyway as soon as the electorate gets the chance to put them out.

I only have 20 minutes, Mr. Speaker, so let me come to the motion, which reads:

> That this House denounces the government's failure to generate jobs in Canada, particularly in Quebec and the Atlantic provinces, and urges immediate and resolute action, including the early presentation of a budget.

I do not need to spend much time on how bad the situation is in Newfoundland because that is well known. In my maiden speech in this House I spoke on this exact subject, I think on November 15. Nothing has happened since then except that the situation has become worse. In Newfoundland the actual unemployment figure is 17.1 per cent; that is the Statistics Canada figure. This amounts to 29,000 unemployed. To those we must add 8,000 or 9,000 able-bodied on relief, and all of those who are not looking for work because they know they cannot find it. Then we must add the low participation rate, which is about 15 per cent below the national average, and several other factors I mentioned which indicate that the real unemployment rate in Newfoundland is at least 25 per cent to 30 per cent. And the hon. gentleman opposite says the government is doing all it can! Well, I will tell him about a few things it is not doing before I sit down.

The government is taking a cruel and inhuman attitude in ignoring regional differences in Canada. There are a number of other factors which show what the situation is in Atlantic Canada. I looked last night at the comprehensive review of the unemployment insurance program which is an official document of the government's advisory council. In 1974, when the situation was not as bad as it is now, the Atlantic provinces had 8 per cent of the labour force, but 16.8 per cent of the beneficiaries of unemployment insurance. Quebec had 27.1 per cent of the labour force and 36.4 per cent of the beneficiaries. When you look at how long the claims went on for, Atlantic Canada averaged 22.5 weeks in 1973 and the prairies averaged 15.4 weeks. In 1974 the Atlantic provinces averaged 21.8 weeks and the prairies 12.3 weeks. The claim rate in the Atlantic provinces was 63 per cent above the national average, and the cost ratio was 2.2 times the average. In Newfoundland, in 1973, we had 4 per cent of total benefits and only 2 per cent of the population. The situation in 1976 was much worse, and it will be the same in 1977.

What is the government's solution? It is to bring a bill before this House to change the eligibility requirements from eight weeks to 12 weeks, which has removed 16,500 people from eligibility in Newfoundland and will take $28 million out of the economy of Newfoundland in 1977 and 1978. The Progressive Conservative party will be moving an amendment, which the minister said the other day—I hope he changes his mind—the government will not accept, to the effect that in

areas of high unemployment, in areas considerably higher than the national average, the eligibility period should remain at eight weeks in recognition of their higher unemployment rate, the fact that the people in the area cannot get jobs, as well as other factors that I mentioned earlier. It is the same recognition as that given in the provision that permits a person to have benefits for a longer period, depending on the region in which he lives. The principle is the same.

We agreed to the 12-week measure in areas where unemployment has not been allowed by the government to become the tragedy which it is in the Atlantic provinces. If the hon. gentleman for Nickel Belt (Mr. Rodriguez) was conducting a filibuster the other day, it will be nothing compared with the filibuster that I intend to attempt to conduct if hon. gentlemen opposite do not accept some reasonable amendment such as this.

I have outlined the problem. What is the solution? There has been no solution offered so far. There has been a retrograde amendment to the unemployment insurance legislation that we hope to correct. Although the Canadian economy is bad and the forecast for this year is not good—I will not go into all the details—in Newfoundland we have not had a 1 per cent improvement in the gross provincial product; it was not 1 per cent better in 1975 or 1976, and it is forecast to be no better in 1977.

The level of construction is very low, unemployment is very high. Prospects for this year are very poor. We need to have a budget brought down which will stimulate the Canadian economy, will provide encouragement for investment and help regional economies. We need tax cuts to stimulate spending. We are also going to need increased government spending in certain areas where there is very high unemployment, such as Newfoundland, the Atlantic provinces and Quebec, on capital projects and on general government services so as to tackle the problem of high unemployment. Yes, there has to be some restraint of government expenditure, but more has to be spent in areas of this country which are a living scandal, such as Newfoundland and the Atlantic provinces with their unemployment rates.

The provincial governments of Newfoundland, Nova Scotia, New Brunswick and P.E.I. cannot solve this problem. I cannot say about Quebec. They think they are miracle workers, and perhaps they can, so we will wait and see. But I know that in the four Atlantic provinces the provincial governments do not have the financial capacity or borrowing power to solve the problem. They do not control the Bank of Canada. They do not print the currency. They do not control the money supply. Their hands are tied. Newfoundland has been borrowing a couple of hundred million a year for the last four or five years, and they cannot borrow any more. They are doing everything they can. They have now introduced a little program worth $2 million for job-creation purposes and it is all that anyone can expect of them.

It is the federal government that has to help in this situation. It is the federal government that has the fiscal capacity and flexibility to help, and the Newfoundland government has asked the federal government to help. When I was a minister of that government in December of 1975 and all during 1976, the Secretary of State for External Affairs was our representative in the cabinet, and he has been forgetting Newfoundland. He is turning his back on Newfoundland. What help has he pushed through to help Newfoundland in its extreme need? Nothing except Canada Works.

Mr. Baker (Grenville-Carleton): He thinks more of Cuba.

Mr. Crosbie: I will come to that if I have time. Even in his own district the fish plant at Gaultois is closed today and should not be. The premier of the province has written to the Prime Minister (Mr. Trudeau) outlining a whole series of matters on which I can only touch today. He has asked for special assistance for Newfoundland in view of the extremely high unemployment we have. I am not saying that he has not had an answer. Probably he has had an answer, but he has not had any help. No special program has been devised or settled on to help Newfoundland.

Not only that, but they have been doing positive things to hurt the provinces, such as cutting down on federal-provincial financial assistance and all the rest. The province of Newfoundland has thrown out the lifeline to the federal government. The Prime Minister has taken the lifeline and has thrown it back. We are floating on a sea of unemployment. We have our hand over the Canadian lifeboat, the federal government, hopefully to climb into it, and all that has happened is that our hand is trampled on by the Prime Minister and the Secretary of State for External Affairs and we have been given no help. In fact, we have had the opposite—cutbacks in DREE spending, as I mentioned in my maiden speech, as well as cutbacks in public works spending. The minister who has just spoken mentioned the new taxation data centre. That is great, but it does not help the unemployment situation if construction will not commence for another year. We need to start that, and more, this spring. There is an environment building under way but Public Works budget has been cut for the last two or three years. The people down there cannot maintain their facilities properly. Why can't they have some extra money for repairs, maintenance and painting? That would create jobs. Spending on small crafts and harbours has also been cut. Mr. Speaker, spending in a dozen areas in my province has been cut, as if my province were like Ontario or Alberta.

• (1730)

The Newfoundland dockyard needs expansion. The government should spend a few dollars on expansion and enable the yard to instal a synchrolift, which would enable it to do more repair work. They had negotiated a contract for repairs to the Russian fishing fleet, but that was terminated by Ottawa several years ago because Ottawa felt it was not in the national interest. That situation has now changed with the introduction of the 200-mile limit. That dockyard should be encouraged to obtain that kind of business. And which minister of the government is attempting to get contracts of that sort for the Newfoundland dockyard which employs 320 people? There were two lay-offs at the yard in the last two weeks. I wrote to

the Minister of Transport (Mr. Lang) about them but have received no reply.

I asked him if he would let a couple of CN vessels to use the dockyard, to prevent lay-offs. But no one here cares. Only 50 or 60 men were laid off; but that represents another 50 or 60 men on the unemployment rolls of Newfoundland. I suppose from the minister's point of view it is no emergency; only a few men have been laid off. That is the government's attitude. Neither the Minister of Fisheries (Mr. LeBlanc) nor the Secretary of State for External Affairs (Mr. Jamieson) has done anything about that situation on the south coast of Newfoundland; the Gaultois fish plant has already closed because of our present fishing regulations. It has closed despite the introduction of the 200-mile limit, and in that very area two or three others may close in the next couple of months. At Gaultois 220 men were thrown out of work, because the Minister of Fisheries either will not or cannot act; or, possibly the Secretary of State for External Affairs is not putting pressure on the Minister of Fisheries.

There is evidence to show that the federal government is to put the squeeze on Newfoundland because Newfoundland dares to claim jurisdiction over offshore oil and gas resources. Spending in Newfoundland is to be cut back. There was some suggestion that the Minister of Energy, Mines and Resources (Mr. Gillespie) had been in favour of assisting, to the extent of $2 million, in the matter of certain hydroelectric studies which were to be undertaken for three years in Labrador; unfortunately the federal government cannot assist in this regard, it being so hard up for money.

Ottawa thinks it is going to bully Newfoundland into accepting its policy regarding offshore resources. Mr. Speaker, never, never will we be bullied. They will never bully Newfoundland into accepting their offer, because Newfoundland can at least hold out for 18 months until the saviour gets into power, in the person of the hon. member for Rocky Mountain (Mr. Clark).

Mr. Baker (Grenville-Carleton): Hear, hear!

Mr. Crosbie: The Gull Island hydro project, another huge construction project which ought now to be under way, has been scuppered by the federal government. The oil refinery at Come-by-Chance has closed and the federal government has not moved its little finger to open it again. It is indifferent. It has sloughed the question off. It says, "it is not our responsibility." It initiates no action. It leaves it to a little province to act, a little province which has less resources than any in Canada. It says, "It is your problem." During the last general election campaign the Secretary of State for External Affairs was down at the site at Come-by-Chance, telling the union people how the area was going to open up and what programs were to be initiated during the winter. He has not been seen there since. That is the attitude of the government.

Mr. Baker (Grenville-Carleton): You bet.

Mr. Crosbie: Another one of the government's programs is user pay. Mr. Speaker, the hon. gentleman who introduced that program is now involved in the greatest surrender since Napoleon retreated from Moscow. He has retreated from his concept.

Mr. Baker (Grenville-Carleton): And Napoleon paid his own way home.

Mr. Crosbie: At least Napoleon did not have an aircraft to fly in. Someone on radio the other day asked, "Who was the author of "Fear of Flying!" The fellow asking the question said, "It certainly was not Otto Lang". He did not know who the author was, but it was not Otto.

There is no question about our need and about our difficulties. No one wants to pretend that we face simple problems which any government can overcome. Therefore, why should those speaking in this debate pretend that the problem is just about non-existent, or that there is no grave problem, that the government is doing everything possible, and so on. To say that the government is doing everything possible is to admit that a huge percentage of the people of this country are going to lead useless, non-productive lives all their lives. How can you admit that? How can any government stay in office and say that, or have that attitude?

That was a perfect illustration of this government's attitude. It says, "We are doing everything possible." But it is going to do a lot less. At least, that is what it seems to imply.

The government has been battling the inflation for which it was primarily responsible. It still hesitates to turn from the battle against inflation to the battle against unemployment, for which it was responsible as well. It cannot deny responsibility for inflation or unemployment.

It will do nothing to help with the Gull Island program in Newfoundland. It offers no special help to overcome unemployment except the LIFT program and the new Canada Works program which, although better than nothing, is not very much of a program.

The government is dealing with eastern provinces which do not have the flexibility of increasing their own spending and so solving their own problems. The government is remote from their difficulties. The Canadian International Development Agency spends $1 billion a year in foreign aid. Mr. Speaker, we shall need to ask some foreign country to start an Atlantic provinces development agency to look after us, if this government's attitude does not change.

The government's attitude was well illustrated today. I suppose we are all tired of listening to the grim unemployment figures. In my province, particularly in my district, there are many, many thousands of unemployed people. They want jobs. They write to me and telephone, saying they want jobs. We all know that some small number of the unemployed do not want to work, but the vast majority do want to work; but they cannot get work and see little prospect of employment this year. We shall not get employment in Newfoundland this year if we must depend on the government of Newfoundland and private industry for construction money. It is just not there. It will not flow to Newfoundland unless the federal government

institutes new programs which will grapple with our great problems and create jobs.

Our labour force is the fastest growing in Canada. We shall have large out-migration again. This constitutes a serious problem in Newfoundland, and what is the government offering us? Ministers speaking in this debate have said little of how the government will tackle our difficulties. We have heard the same old malarkey again. The Minister of Finance (Mr. Macdonald) got up and voiced the same old malarkey. We hear it every day. He says he does not know when he will bring down a budget, and this and that is to blame for our present difficulties. We are suffering from general inflationary tendencies, and he talked of wage and price controls and so on. Mr. Speaker, our people want to know what is the program for jobs? What is the program for economic development? How is the government going to get Canada moving again? Those are the questions they ask.

Our people wonder what will happen to them when their unemployment insurance benefits run out, and in Newfoundland people in the thousands will run out of unemployment insurance benefits this year. They will stay on unemployment insurance to the last minute, and then they will not be able to find jobs. They want to know what will happen to them then. They are waiting for the government to tell them; and if the government will not tell them, if the government's attitude is that it is doing everything possible, as the Minister of Industry, Trade and Commerce suggested, our people will want the government to call an election. They will want another party in power which will be prepared to do something about the problems I have outlined.

The government appears to be tired. It is fretful, indifferent, callous and smug. My God, I was nearly smothered by its smugness this afternoon. I was amazed at the smugness of the Minister of Industry, Trade and Commerce, as shown in his speech. No wonder many in Quebec think that René is going to save them. I will tell you this, Mr. Speaker: in my view, the Quebec crisis will never be solved by the present crowd opposite.

Mr. Baker (Grenville-Carleton): Hear, hear!

Mr. Crosbie: Some people suggest that Prime Minister Trudeau is the only one who can hold Canada together.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with the unanimous consent of the House. Does the hon. member have unanimous consent to continue?

Some hon. Members: Agreed.

Mr. Crosbie: Mr. Speaker, I will conclude in a minute. As I said, some in Canada think that our present Prime Minister is the only person in Canada who can keep this country together. He was originally elected in 1968 on the platform that he could solve the Quebec question with the policy of bilingualism. He has had eight or nine years in which to do this.

• (1740)

Having heard the Prime Minister say six months ago that it was all dead, and it was on our TV screens two weeks ago from New York where he, René Lévesque, alive and well and talking to all of North America, some people are suggesting that the Prime Minister is the man to hold the country together. It is the same as suggesting, I say, that Neville Chamberlain was the man to lead Britain through World War II after having promised peace in our times, and the war broke out a year later.

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I was somewhat dismayed at the tone of the remarks made by the hon. member for St. John's West (Mr. Crosbie). I had rather hoped he would have positive suggestions and ideas to put forward.

Mr. Baker (Grenville-Carleton): Why do you guys get the big salaries? Let us hear a few things from the other side.

Mr. Cullen: I had thought the official opposition would add a little more credibility to their debate and add more sincerity to their approach to the unemployment issue by at least calling for a vote. But what we have is an academic exercise. The speakers are going on and on but not standing up to be counted at the appropriate time. I was disappointed that the opposition members, who had an opportunity to call for a vote, did not see fit to do that. So this debate will run its course until ten o'clock.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. One of the reasons that there is no vote tonight is that we did not want to put government members in the embarrassing position of supporting that shambling lot over there.

The Acting Speaker (Mr. Turner): Order, please. I suggest the hon. member is engaging in a point of debate.

Mr. Cullen: The embarrassment is that which the opposition parties have suffered in the last few votes we have had when they have been unable to muster more than 60 or 65 members for a vote. I am not surprised, therefore, that they have not been able to get a sufficient number of members to vote on this non-issue.

There is no doubt that the Canadian economy now faces and has faced, particularly since 1975, serious economic problems including, in particular, the problem of unemployment, and nobody is hiding that under the rug. Back in October we indicated our concern, we looked at reports that were coming in, and we initiated measures that were going to be taken.

If we are to understand these problems and deal with them effectively we must see them in perspective and not through some political rhetoric such as we have had here this afternoon from the hon. member for St. John's West.

We must recognize that we have not been alone in facing these problems; we must also remember that over the longer period of the 1960's and early 1970's the performance of the

Canadian economy was exceptionally strong. During this period the growth rate of the economy was of the order of 5 per cent. The growth in employment was of the order of 3 per cent. Even during this healthy period there were specific times of difficulty as, for example, in 1967 and 1970-71. This is the typical pattern of all free economies, that is, alternative periods of rapid and slow growth.

The unique feature of the Canadian economy during this period was the rapid growth in the labour force of 3 per cent to 4 per cent, particularly arising out of the dramatic influx of youths and women into the labour market; in fact, during the period, and except for a few recent months, we experienced the highest growth rate in the labour force of any western industrialized country.

I read an article by Mr. MacGillivray, whose research is usually well documented, and I was surprised that he saw fit to pick one particular time frame when he said Canada's labour force was not the fastest growing in the western industrialized world. I wonder why he felt it necessary to pinpoint that area. Nevertheless, the growth of the economy during this period was sufficient to provide the required additional jobs to keep unemployment rates relatively low for the period as a whole.

The following are the specific problems of unemployment put in this perspective. We are still faced with a rapid growth in the labour force. But, at the same time, we are faced with relatively slow economic growth rates. We are not alone in facing this problem. For us, however, it is worse than for many other countries because of the openness and vulnerability of the Canadian economy to the changing economic situation of our major trading partners, particularly the United States. Our ability to devise satisfactory remedies for our problems, we must remember, has been severely constrained since we have found ourselves in the grip of serious inflationary forces.

Given this perspective, what is the government's response? Faced with these problems and constraints on action, the government has adopted selective measures to help prevent and alleviate the serious problem of unemployment. Briefly, the government's employment strategy includes the following: a doubling of the LIP funds for the current winter period to $200 million; the launching of a year-round Canada Works program involving the expenditure in 1977-78 of some $200 million on direct job-creation; and the strengthening of rehabilitative or preventative measures, for example, through training involving annual expenditures close to $600 million.

I think the government, recognizing the problem, has pinpointed the areas where, given the restraints we have, and given the fact that we do not want to be inflationary, help must be given, and we have pumped millions of dollars into these areas, notwithstanding the sloughing off which the hon. member for St. John's West thought we should do with millions of dollars. Under LIP we have pumped $17 million into the island of Newfoundland alone.

The selective measures, particularly direct job-creation projects, in which 120,000 individuals will participate in 1977-78, have two critically important advantages. First, they rank amongst the best employment measures in terms of cost per job created and in terms of generating employment quickly. Indeed, they have been a model on which other countries have based their own job-creation programs.

Second, the government's job-creation programs can be, and are, targeted to groups and communities most seriously affected by the problems of unemployment. For example, we have special programs for youths and the disadvantaged. We have also allocated the largest proportion of job-creation funds to the provinces east of the Ottawa river which are suffering acute unemployment problems. We are also allocating a large proportion of job-creation funds to meet the more severe problems of unemployment during the winter season.

We must not lose sight of the fact that the Unemployment Insurance program is a major bulwark against the problem of income deficiency arising out of unemployment. By supporting the level of individual incomes, it helps in a significant way to maintain the over-all level of demand within the economy. This in turn helps to sustain a higher level of employment.

The combined expenditures of unemployment insurance and the departmental appropriations will involve the expenditure in 1977-78 of some $4.5 billion to help alleviate or prevent unemployment in Canada. We have embarked on this with a spirit of innovation. We have been sensitive to the changing nature of unemployment, the labour market, and the economy, as well as the limitations of traditional approaches.

I note that the hon. member who spoke before me seems to be satisfied to stay with the status quo, to keep to the eight weeks and not to use the money. He seems to be saying—and that concerns me—that we should now go to selective areas in the country and move back to the eight week program. We are using that money as a lever to get more money. If the hon. member would look at the individual figures, and particularly those for Newfoundland, he would see that from the small amount of money that is coming from the unemployment insurance program we will be in a position to pump three, four and five times that much money into the economy of Newfoundland, given the leverage I have indicated.

We are approaching these changing problems in a spirit of innovation. Specifically, we have included in Bill C-27 provision for the developmental uses of the unemployment insurance funds so that claimants will have a variety of productive program alternatives while they are receiving their benefits. These include participation in training programs, job-creation projects, and work sharing arrangements. The latter two, which will be launched on a pilot project basis, could lay the ground work for new and more successful approaches to deal with problems of unemployment in the future. Canada can be proud of its innovative nature in dealing with the specific problem.

• (1750)

Criticism of the measures of unemployment causes me no little concern. Recent comments made by some members of parliament have unfortunately confused the discussion of the scope and nature of unemployment problems. Various measures of unemployment published by Statistics Canada inevita-

bly have their limitations, and these are well recognized by Statistics Canada itself. They are, however, incomparably more reliable as indicators of the scope and nature of unemployment and changing trends than the statistics concocted, interpreted and misinterpreted by some. A particular case in point is the recent assertion made by the hon. member for Oshawa-Whitby (Mr. Broadbent) to the effect that the unemployment rate for 1976 was really closer to 11 per cent than the 7 per cent reported.

Specifically, the hon. member contends that during that year some 455,000 people who were laid off or who had lost their jobs should have been counted among the unemployed rather than among the non-labour force, as they were in fact counted in the labour force survey. He maintains that these people are "discouraged workers" or "the hidden unemployed".

The hon. member has no factual basis for making this assertion. In the first place, the 455,000 people to whom he refers were laid off or lost their jobs at any time within the previous five years. Moreover, there is no indication whether on termination of their jobs any of these people searched for work or even had an interest in continuing to work. But what we do know is that they were not looking for work at the time the labour force survey was conducted.

The hon. member also ignores the fact that this category includes people whose jobs ended due to seasonal factors, such as the end of the fishing, logging, trapping, farming or tourist season. We know that many of these people are interested only in that type of seasonal work.

Many studies of the problems of "discouraged workers" have concluded that while statistics in this group should be gathered, the people who comprise it should not be counted as unemployed. Indeed, statistical agencies throughout the world have found that a definition of unemployment incorporating a measure of an individual's desire to find work is far too subjective and ambiguous to permit the production of objective, meaningful and consistent data.

However, we recognize the limitations, and what is our approach? Our approach to the question of the limitations of using Statistics Canada figures as sole indicators of unemployment is much more equitable, objective and defensible. In particular, in the formula for allocating funds in the first phase of the Canada Works program we have included statistics on unemployment insurance beneficiaries. Specifically, we have used such beneficiary statistics in the case of those provinces where the number of beneficiaries exceeds the number of labour force survey unemployed.

This approach, on an objective basis, helps to compensate for certain limitations in the labour force survey definition of unemployment. For example, unemployment insurance beneficiary statistics include those who are virtually unemployed but have earnings from part-time employment. Such individuals may be counted as beneficiaries, but they are excluded from the labour force survey unemployed.

Therefore, in the provinces east of the Ottawa river, the number of unemployment insurance beneficiaries is higher than the labour force survey unemployed. Selecting the higher measure results in the allocation of a large proportion of Canada Works funds to provinces east of the Ottawa River, where it is recognized that the problem of unemployment is more serious. In the case of Newfoundland this involves an increase of some 50 per cent in the measure of unemployment, to give some degree of equity to these particular statistics.

In the case of the provinces west of the Ottawa River, it is to their advantage to use the labour force survey unemployed, which is higher than the number of unemployment insurance beneficiaries. This is attributable in part to the number of people who are unemployed but do not qualify for unemployment insurance benefits.

The use of unemployment insurance beneficiary data in connection with the labour force survey thus achieves a balance which is not possible through the use of other sources of data alone.

None of us has the final solutions to the complex problems of unemployment. While our own employment and insurance programs are among the most advanced of any country in the world, we recognize that still more imaginative and concerted efforts are required. With this goal in mind, the government has undertaken a systematic review of the current unemployment situation and is reassessing programs and mixes of programs which are likely to be most effective in coming to grips with the problems of the next two years. At the same time we are carrying out an in-depth examination of the longer term aspects of employment and unemployment, so that we will be prepared to meet the problems of the next decade.

What is called for is a broad strategy which examines the widest possible variety of programs and approaches, ranging from the stimulation of the private sector to direct job-creation programs, where appropriate, and supplemented by income maintenance, where necessary. This strategy also involves a continuing search for innovative measures tailored to the ever changing dynamics of our society and economy.

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in view of the fact that there are only a couple of minutes before six o'clock, I wonder whether I may call it six o'clock.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Jelinek: Mr. Speaker, it is indeed a sad state of affairs for parliament and, therefore, for Canadians as a whole, that

while unemployment, according to the latest figures from Statistics Canada, is at the highest level since the formation of that department, that it is left to the official opposition to introduce a motion dealing with this serious subject matter rather than depending on the government to act.

It is not something that has developed overnight and caught the government unaware or ill-prepared with which to cope. As we all know, the unemployment figures have been creeping up steadily over the past decade of this Liberal administration's reign until they have reached this incredible level where nearly one million Canadians now find themselves without a job. Meantime, the government sits placidly by, working on the introduction of bills such as an Act to amend the Historic Sites and Monuments Act, or introduces for debate, after a one month Christmas recess, a bill to televise the proceedings of this House, a move that would surely bring about the deterioration of this Chamber into a three-ring circus. These are examples of the government's sense of priorities.

We cannot even blame it on international conditions because other western industrialized nations such as Japan and West Germany have virtually full employment, while at the same time we see the United States unemployment figures steadily decreasing, a fact based on that nation's own priorities and action.

Throughout this debate many reasons were cited for the high level of unemployment in Canada, and a number of recommendations to cope with the problem were enunciated, none more precisely than by the Leader of the Opposition Mr. Clark who opened the debate so eloquently this afternoon. Having listened to subsequent speeches, I find myself a bit appalled by the fact that no one has put a finger on the root of the reason for unemployment. The problem does not lie with the extension of the government's costly job creating programs, for example, because the majority of these programs do not solve the unemployment problem on a permanent basis; they give an appearance of assisting the situation on a temporary basis, when in fact in the long term they can simply be defined as phony.

The problem is not even with our large industries such as General Motors or Stelco where employment, in fact, has increased over the past years in accordance with the growth within their specific sectors. No, Mr. Speaker, this is not where the bulk of the labour force is and where the potential exists. Nor is the bulk comprised of the membership of the Canadian Labour Congress, for example. The majority of the labour force in Canada, and the greatest potential increase—this is backed by the Department of Industry, Trade and Commerce—are in the owner-managed sector of our economy, most often referred to as small and medium sized enterprises. Over 60 per cent of the labour force is employed either directly or indirectly by this vital sector. That sector is virtually ignored by this government and its philosophies of centralization. Oh yes, I know that the Prime Minister (Mr. Trudeau) recently appointed my friend from Kamloops as the Minister of State (Small Business) (Mr. Marchand), but this move means absolutely nothing if the government's policies in general are not altered in any way, shape or form, and this philosophy of centralization continues to exist.

● (2010)

One can only assume that the reason for forming this sub-ministry is simply a temporary move to pacify the disgruntled small businessman. If one looks back prior to the 1974 election and remembers a Ministry of Multiculturalism having been established, only to be quickly abolished after a Liberal mandate was assured, one could easily conclude that the same procedure may be followed in this instance and that the future of the Minister of State (Small Businesses) will not be long lived.

To illustrate a specific example, allow me to point out the plea of the small or specialty apparel shops, of which there are literally thousands in every part of the country. As a result of the blanket quotas on the imports of textiles imposed recently by the government, the majority of these small shopowners are being threatened with bankruptcy and are presently in the process of laying off perhaps tens of thousands of employees because they fall under this blanket quota program.

It is not because they are a threat to our own textile industry which, granted, deserves the protection it needs. The majority of these shops do not even attempt to compete with the large textile manufacturers such as Dupont and others, and must continue to be dependent on quotas which they may not even have had in 1975. Yet, when questioned just yesterday, the Minister of State (Small Businesses) was apparently so unconcerned with this situation, which falls directly within his jurisdiction, that he had not even approached the Minister of Industry, Trade and Commerce (Mr. Chrétien) with representations as to the possibility of exempting the quotas within this important but harmless market.

This is only one typical example where government action is harmful to the small business community and results in a yet further deterioration in the employment situation. There are, in fact, countless examples of such instances all stemming from the fact, as I said earlier, of the government's insistence of continuing their philosophy of centralization and introduction of legislation for the benefit of big business without having had any consultation, or given any thought whatsoever to what consequences a small business will face.

It is of immense necessity that governments in general extend their consultations to the small firms sector and deal with that sector as a separate entity when developing policies and introducing legislation. The fact that the potential labour growth is within this small firms sector can no longer be ignored, and one must realize at the same time that the most economical form of employment opportunity lies with the entrepreneur who is constantly struggling to avoid the obstacles this government's actions cause to fall in his path.

Surely it would not be difficult for the government to reduce the tons of bureaucratic paperwork the small businessman is expected to cope with, including the total revamping of the costly tax structure as it relates to the small business community. Instead of strangling this community with bureaucracy

and all sorts of restrictions and controls, it is time that the government initiated forms of incentive, be they through the tax system, research and development, or what have you, incentives that would encourage the growth and development of the small firms thereby creating built-in employment at the lowest possible cost.

In any event, the fact of the matter remains that the largest economic growth potential is virtually at a standstill. Because it is in a stagnant position, the many jobs that could be generated from within this sector are simply non-existent. All of this is caused by the government's inability to come up with basic, long range policies. Instead, it governs on a day-to-day ad hoc basis causing an unprecedented climate of confusion and uncertainty within the economy as a whole. A businessman, be he involved in a large or small enterprise, simply cannot take the risk to expand or plan for the future knowing that the government may impose upon him overnight unexpected and impromptu changes, as it did with wage and price controls, for example.

There are many other areas that reflect on the unemployment figures that we, as Canadians, are faced with today, and they relate directly to the government's inability to deal with small and medium sized businesses in a realistic and business-like fashion. However, with the time limitations that are imposed on us, I would like to introduce just one other area of potentially mammoth employment, related directly to the small and medium sized business sector. I am referring, of course, to secondary industry and secondary manufacturing.

In this regard I simply find it very difficult to comprehend the present situation in which we find ourselves. Canada, being one of the richest nations in natural resources, is at the bottom of the totem pole when it comes to secondary manufacturing. We encourage foreign interest to develop our natural resources, and to a certain extent this is a necessity, but then we fight like hell to sell our raw materials abroad where, as a result, jobs are created and economies bolstered. Then we purchase the finished goods in large quantities, goods that have been made out of our natural products in the first place, and we pay for them through the teeth without having reaped any advantages within our economy.

Needless to say, this trend that we have allowed to develop, and in fact encouraged, should and must be reversed if we are to reverse our sluggish economy and if we are to develop realistic long-range and permanent job opportunities. There are a number of ways this can be done, be it through various tax incentives or the availability to the entrepreneur of the vast technological research and development programs which the government is capable of having, but mainly it is the attitude and general philosophy of the government itself that has to be altered first.

We can no longer depend solely on the costly make-work programs which I alluded to earlier. They simply are not realistic and do not solve the underlying problems of unemployment. They are certainly not popular with the small businessman either. When the Canadian Federation of Independent Business asked their membership whether or not they supported federal LIP programs as a way of providing direct employment, for example, only 16 per cent approved and over 65 per cent categorically did not. This poll was conducted on a national basis.

It is very clear that socialistically oriented programs tend to postpone the inevitable, and we are currently witnessing this inevitability. Therefore, if we want our country to remain the great place that it is, we must revert to the basic philosophies that it was built on, and I am of course referring to the freedom and encouragement of a successful free enterprise system, a system that must be maintained in its original form.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, as I listened to the Minister of Finance (Mr. Macdonald) and the Minister of Industry, Trade and Commerce (Mr. Chrétien) this afternoon, I wondered whether they were talking about the same country. Indeed I wondered if they were talking about the same world. The Minister of Finance talked about this government transferring more than $2 billion to the taxpayers of Canada so that they could better meet their costs, and how they had increased old age pensions by $390 million. He told us that those who were unemployed received among the highest benefits in the world, and so on.

• (2020)

Then the minister said they could agree with everything which was in the motion and in the speech of the Leader of the Opposition (Mr. Clark) with one small exception, because the government had already done those things. What the minister forgot to tell us was that the number of those presently unemployed is higher than it has ever been since Statistics Canada began to collect these figures.

I listened to the Minister of Industry, Trade and Commerce. He began by telling us the government was not satisfied with the situation, and that as long as there was one unemployed person who wanted to work it would not be satisfied. He went on to recount all the good things it had done. He said our social programs are among the best in the world, and then he gave examples of programs it had introduced and which had created work, he said, in Montreal, Moncton, Saint John, and so on. Well, just a few days ago the unemployment figures for the month of January came out. How did the Toronto *Globe and Mail* report those figures? The headline on February 9 read: "889,000 Unemployed in January—Highest Total on Record".

The news story began:

> Unemployment in January was 889,000, the highest recorded since monthly labour statistics began to be collected in 1953, Statistics Canada reports.

Since they concern the subject we are discussing today I think these figures ought to be put on record in relation to the speeches—the cynical speeches in my view—made by the Minister of Finance, and the Minister of Industry, Trade and Commerce. There were 889,000 people unemployed last month, representing an increase over the same month in 1976 of 89,000.

What was the number of unemployed by regions in unadjusted figures? In the Atlantic provinces it was 105,000; in Quebec, 274,000, up 32,000 over the same month in 1976. Look at the rates. In the Atlantic region the unadjusted unemployment rate was 13.6 per cent. In recent weeks we have been discussing whether the figures are correct or not. I do not think anybody but one or two cabinet ministers would deny that there are thousands of people presently unemployed who are not counted in the statistics. There are a number of reasons for this. They might have been unemployed for longer than the period during which they are included in statistics. They might be young people who have never held a job. They might be single wage or salary earners who feel that unemployment in their areas is so high there is no use registering for work.

In Quebec there were 274,000 unemployed in January, and the unadjusted unemployment rate was 10.3 per cent. I am not so naive as to think the only reason some people in Quebec believe in a separate state is because they are hungry or because they are unemployed. I recognize there are linguistic, cultural or historical reasons why some people there have come to believe in a separate state. I do not believe that all the 40 per cent of the people of Quebec who voted for the Parti Quebecois were voting for a separate state, but I suggest to the Minister of Industry, Trade and Commerce that the 274,000 people who are unemployed in the province—I suppose if you look at Quebec east of Montreal you are looking at an unemployment rate not of 10 per cent but of between 12 and 14 per cent, and in the Gaspé you are talking about a rate of 30 or 40 per cent—could be forgiven if they are not enthused by the concept of one Canada. I am surprised there are not more who have been turned off in their thinking about Canada.

I suggest to the Minister of Industry, Trade and Commerce that what we do not need are ringing platitudes about his belief in one Canada. What we do need is a belief on the part of the federal government that Canada can have full employment. It is thinking of that kind which could lead Quebec and other regions to believe that Canada as a country means something.

We have heard ad nauseam from the Minister of Manpower and Immigration (Mr. Cullen) that the unemployment figures are not as serious as they sound, because among the people they include are many women seeking to earn second incomes. Then we hear the hon. member for Edmonton West (Mr. Lambert) saying recently that women should not be working. Again, it is said there are a lot of young people who really do not want to work and who try to get by on unemployment insurance. Well, the recent survey by Statistics Canada which showed there were 889,000 unemployed tells us two-fifths of them were heads of families or single people living alone. The bureau's own figures suggest that the additional number of workers available for work but not counted could amount to anywhere between 108,000 and 573,000 during January, depending upon the criteria used.

What I am saying now is what this party has been saying for a considerable time. We are in a major crisis, and it is only the government which refuses to face the fact.

What are the prospects for 1977? I refer hon. members to a survey recently carried out by the Conference Board, a very respected organization which conducts economic surveys, and whose membership includes academics, business people and a few labour people. The result of that study is reported in a recent issue of the *Globe and Mail* as follows:

> Canadian economic growth will slow markedly in 1977 with real gross national product expanding only 3 per cent compared with nearly 5 per cent this year, the Conference Board in Canada estimates.
>
> The prospects for 1977 have deteriorated because of the unanticipated continuation of the weak economic recovery in the major industrialized countries, particularly the United States, which are Canada's trading partners.

A slow-down in the growth of the GNP means more unemployment in 1977 than in 1976. The *Financial Times,* again not a very radical or revolutionary journal of opinion, said in a recent editorial:

> Canada's economy should have produced 87,000 more jobs than it has since May, 1975—the bottom of the recession—in order to have made any inroads into the number of unemployed.

● (2030)

> The outlook for unemployment is expected to worsen in Canada this year, especially without any fiscal stimulation. From Plains, Ga., president-elect Jimmy Carter has already shot his $15 billion fiscal bolt, largely directed at creating jobs in the U.S.

The article goes on to point out that even if Canada had that kind of program, which it has not, it would not mean a very drastic cut in the rate of unemployment we are presently facing. If we believe that this country could have full employment and that the bulk of our people who are now unemployed really want to work—

The Acting Speaker (Mr. Ethier): Is the hon. member for Restigouche (Mr. Harquail) rising on a point of order? The hon. member for Winnipeg North (Mr. Orlikow).

Mr. Epp: That is the shortest speech you have made yet.

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Orlikow: If we believe, Mr. Speaker, that it is better for people who are now unemployed to be working than to live off unemployment insurance benefits or welfare of various types, then we must ask ourselves how we can put our unemployed to work. It seems to me that we have only two possibilities which, pursued separately or together, are these: either the private sector of the economy will expand and hire a substantial portion of the tens of thousands who are unemployed, or in the public sector the federal, provincial and municipal governments will activate programs that will employ people.

Let me examine the private sector and ask whether it will fill the need and hire a substantial percentage, I will not say all, of the 889,000 people who are now unemployed according to Statistics Canada. It is obvious that the demand for products produced by Canadian companies, by the private sector of the Canadian economy, is not there. Manufacturing capacity

is now operating at only 85 per cent of capacity. This means that whatever tax incentives the government proposes in its wisdom two or three months from now, or whenever it is the Minister of Finance brings forward his budget, they will not in fact do the job. The C. D. Howe Research Institute, in examining the result we might get from further tax concessions, said that these "are unlikely to be the major determinant of investment; business perceptions of the future prospects for the economy are likely to be the critical factor in investment decisions".

That being the case, Mr. Speaker, it is not likely that companies that are not now working at full capacity will be hiring any substantial number of people. With close to one million unemployed we are losing in the neighbourhood of between $5 billion and $6 billion worth of production each year. It seems to me that if the private sector is not in a position to hire people—I do not say that in any critical sense; it will hire people when there is demand for its products—then there is only one alternative, and that is government action.

We have proposed today in the form of an amendment to the motion moved by the Leader of the Opposition (Mr. Clark) five specific methods for dealing with unemployment. The first proposal is for an immediate decrease in personal income taxes for those in the lower and middle income groups, for the purpose of stimulating their purchasing power, and to help take up the current slack in the economy.

The Minister of Finance claims that the government has already done this through its indexation of income tax. I do not have the time today to put on the record again what we have done many times to show that the bulk of benefits derived from indexing income tax goes to those in the middle and upper income brackets. They are people who can afford to save. They are people who do not spend all the money they get back as a result of tax cuts.

I should like to compare our indexing proposals with that which President Carter has proposed in the United States. He is proposing an immediate tax credit of $50 for every taxpayer in the United States. The bulk of this money will go to people in the low income brackets who will spend it because they find it difficult to meet the rapidly increasing cost of living in the United States. We suggest to the government that that kind of proposal should be put into effect in Canada immediately. People should be given the opportunity to take the credit, not on their 1977 income but on their 1976 income, when they prepare their 1976 income tax return.

We have also suggested that there should be an immediate reactivation of all federal capital works projects, not just those of the federal government, and we should encourage the provinces and municipalities to follow suit, at the same time lifting any restraint on their share of funding such projects.

Let me give the House an example which I gave before the Olympics were held. I thought then, and still think, that it was madness to spend hundreds of millions of dollars on a two week extravaganza in a city of two and a half million people which is still dumping its raw sewage into the St. Lawrence river. The city has plans that are ready for a sewage treatment plant, but it has had to delay the implementation of those plans because it has borrowed so much money for the Olympics that it does not have any credit.

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

• (2040)

[*Translation*]

Mr. Arthur Portelance (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, in a debate like this one, it is natural for the opposition to try to depict the employment situation in Canada under a certain lighting. I did say "lighting" because, as a matter of fact, we were rather offered a great "blackness" with these fireworks of questionable of "Broadbentic" statistics, or others.

I do not intend to minimize the gravity of the situation but I would like to recall, as the Minister of Manpower and Immigration (Mr. Cullen) did this afternoon, that the unemployment problem should be considered in its real context. However, this phenomenon is not limited to Canada. All the large industrial countries, including the United States where President Carter is going to implement a special program in this area, have to face a similar situation. Indeed, as far as statistics are concerned, ours as published each month by Statistics Canada are more complete with their distribution by region, by class of workers or by age group. In most countries, where there are several different schemes they are instruments which could not be rigorously accurate. It is understandable because we know that tens of thousands of Canadians shift from one job to another every week and it is, of course, a sample. But because of such estimates we can provide our job creation programs with better accuracy so as to allow further consideration to the needs of specific regions such as the province of Quebec and the Maritimes.

This kind of barometer also allows for better appraising of the impact of some programs and thus enabled us to realize that in January in the province of Quebec, because of the efforts made by the federal government through its public works and its job creation programs, the situation had improved and there were 20,000 fewer unemployed. It does not change the situation for those Canadians who are out of work but the program which I will refer to in a few moments and which has been specifically designed for that purpose will look after this situation.

Mr. Speaker, the number of Canadians who are working and the standard of living of the Canadian people, including those who are having problems, have never been so high. There are countries which do not have statistics on unemployment; would Canadians accept this other formula which indeed denies the word accept itself. There are also other formulas *La Presse* editorialist Ivan Guay pointed out last January 12 how some policies of the Labour Party which were often praised in this House had led Great Britain to its present economic difficulties. I was in England last September and I also found out that although there was a rate of inflation of 13.5 per cent, the unions of that country were allowing that workers be

granted increases of about 4.5 per cent. They were accepting 4.5 per cent in order to settle agreements. But here, how much criticism we got, especially from the official opposition, when in our current anti-inflation programs the increases granted are always higher while inflation still exists.

Magic remedies and final solutions lie nowhere on our planet, and the global effort the government of Canada is making this year has no equivalent with its programs whose efficiency has already been proven, and other programs which are ahead of what is done throughout the world; many countries are indeed on their way to adapt them, such as LIP. But in Canada, we are ahead of our time with programs like "Canada Works" and "Young Canada Works", which I will discuss in a moment. That does not consider the regional assistance nor the considerable amounts made available to the provinces through equalization which next year will provide the provinces for instance with $2.5 billion, including $1.3 billion to Quebec.

Here again, Mr. Speaker, I would like to bring to hon. members' attention what must exist between provincial government and the federal government, and in particular the Quebec government. Very recently, in the Ottawa *Journal* of last February 9, we read that the mayor of Hull is very much worried about the existing situation, and I quote:

[*English*]

Taking into account that each worker spends on average $800 a year in the place he works, Mr. Rocheleau says that one building alone with 5,000 employees would mean $4 million being spent in the area nearby.

[*Translation*]

The mayor is worried over the fact that projects amounting to $26 million could be cancelled, just because of a policy which would be rather difficult to understand for the Quebec government. Just as he does I wish the new Minister for Urban Affairs (Mr. Ouellet) could meet them to correct the situation in which they seem to get in.

Mr. Speaker, I was just referring to the Local Initiatives Program, a program which allows enormous sums of money to be pumped into the economy where the situation is most serious. For this winter we have a program worth about $200 million which will create 47,000 jobs, about one third of them in Quebec. Furthermore, we are presently completing the allocation of $60 million for Phase I of Canada Works program. There will be $140 million more in this sector by the end of this fiscal year, which will allow for the creation of a total of 61,000 jobs.

Mr. Speaker, I would like to quote some figures dated February 8, 1977 which show the interest of most Canadians looking for employment and the groups which would like to co-operate with the new Canada Works project. We note that on February 8, 1977, there was 6,630 applications to create about 62,000 jobs representing $340 million. This shows the interest of some people in creating employment in Canada. I agree with the leader of the NDP. We know that Canadians are not lazy and that they would rather work than receive unemployment insurance benefits or social welfare allowances.

[Mr. Portelance.]

I do not feel however that programs such as Canada Works or the Local Initiatives Program are a form of social assistance. I am sure of that in my constituency, because I have some evidence that the people who are now interested in various LIP projects are eager to work and willing to help. Nor only do they earn a salary, but their work has a social aspect. In most cases, they help senior citizens, visiting them at home once or twice a week, to do their housework and other things. What those women do in those programs is desirable, and I trust that in the not too distant future the provinces will give similar home services to the needy. Once again, the federal government will have taken an initiative which can perhaps be followed up by federal-provincial agreements.

In all its programs the government has given special attention to the young, helping them either to complete their studies or to have easier access to the labour market. For instance, in the next few months, thanks to three programs, namely Young Canada Works, the Summer Job Corps and summer jobs in various federal departments, 47,000 jobs will be created, at a cost of $65 million. The program Young Canada alone will allow expenditures of $26 million. The number of manpower centres on Canadian campuses will increase from 70 to 88 across Canada in the next three years.

Another program will exist after Bill C-27 has been studied. I trust the House will pass it fairly quickly. With the integration of the two departments, the Department of Manpower still has a very interesting program in co-operative education. A budget already set at $500,000 will enable the federal government, and those provincial governments that are interested, to cooperate in looking for a solution to what I feel is a major problem so that students, while taking classes, can spend some time in private industry; this training period can serve as a bridge between studies and a job. Too often, when applying for a job, young people with 12 or 15 years of schooling are asked whether they have some experience. Unfortunately, they are unable to say that they have some and their application is turned down. I think that a thorough study of the matter with the funds made available after the creation of the new department could probably solve one of the major problems. Perhaps this will answer the question put today by the leader of the opposition when he referred to the father who was rather disappointed because his children who were graduates found it difficult to land a job. The educational system should also provide courses for which there are openings so that the young people will not realize, once they have completed their studies, that there is no employment for them.

In addition, young people and other groups of workers can take advantage of a massive operation whose full extent I have been in a position to evaluate as Parliamentary Secretary to the Minister of Manpower and Immigration; the training or retraining programs for workers in institutions as well as in industry.

Mr. Speaker, in 1976-77, the department is going to spend $477 million for institutional training and $64 million for

on-the-job training, a total of $541 million. In 1977-78, within two months from now, the Department of Manpower and Immigration is going to increase its spendings in this field, allocating $513 million for institutional training and $70 million for on-the-job training or a total of $583 million. This is to help Canadians improve their skill and find a job.

Indeed, not only will these investments increase the qualifications of the Canadian workers and allow them to find a job more easily instead of receiving unemployment insurance benefits but they will also help them take a more active part in the economy of our country. I could talk about many other programs to help the disabled workers who need special training. For example, there is the LIAP—Local Improvement Assistance Program—which, with $14.8 million, will create this year 18,840 man-months. In our department, we have, among others, the workers' mobility program.

Mr. Speaker, if I have enough time, I would like to point out other innovations in a bill now before the House and which will be applied if the Department of Manpower and the Unemployment Insurance Commission can better coordinate their operations once they will be merged. I hope I can deal more deeply with this subject when we will study the bill, but right now I want to tell you how the work sharing program will be applied. Beginning next fiscal year, it will help avoid lay-offs in factories or industries with temporary problems.

Usually, we cut down on personnel, which creates unemployment and results in a loss of skilled staff for a company. This work-sharing program will help keep the whole personnel, but the work week will be temporarily reduced and the cost will be charged to the new Employment and Immigration Commission. These are pilot projects which will come into effect next fall in an effort to improve the condition of the workers who have difficulties and help them keep their incomes. This will be done as generously and cautiously as possible.

This formula brought positive results in several industrialized countries, especially the German Federal Republic and its cost is partly balanced by the unemployment insurance spendings which could not otherwise be avoided. Obviously the elaboration of such a program is complicated and cooperation will be expected not only from governments, and employers but from workers and their unions as well. The hon. member for Winnipeg North (Mr. Orlikow) indicated recently that there was a danger that the employers might be tempted to abuse the system and make it absorb some of their losses. I agree that we will have to proceed with care but if we doubt the good faith of those who are ready to participate in such a program, we would never have had programs such as local Initiatives, training on the job, Canada Works, Young Canada Works, etc. Of course the opposition would be in a better position then to criticize the government and produce fine statistics.

Mr. Speaker, the new job creation strategy announced recently by the Minister of Manpower and Immigration includes a new formula which will allow this year a pilot project for the unemployed which will encourage them to participate voluntarily in projects of direct job creation within the community and still receive their unemployment insurance benefits. Or still, again on a voluntary basis, to take training courses while their benefits continue to be their main source of income. It will be suggested that in certain cases the benefits are higher than the salaries being offered. Those are rare cases, and the formula is intended particularly to help those who are thinking about improving their skills while they are waiting to find a job, therefore improving their chances of finding a job, and also keeping more busy in an interim period which they want to be as short as possible.

In brief, Mr. Speaker, we are in the presence of an additional effort by the government which all told is going to cost over $1 billion to bring unemployment across Canada to its lowest level possible with special attention going to those areas where the situation is more difficult. In concluding, Mr. Speaker, I still want to note certain points raised by the hon. member for High Park-Humber Valley (Mr. Jelinek) who seems to be extremely concerned with small business or at least certain small businesses. I would indeed like him to define them. If it is about certain storekeepers that he is concerned, I hope that in his case there is no conflict of interest.

I have here an item made in Hong Kong bearing the name Jelinek Import Registered. This may not be one of his companies or the company of one of his relatives but it is still the same name. The hon. member for Joliette (Mr. La Salle) was also in agreement with the positions taken by the Department of Industry, Trade and Commerce and, as he suggested this afternoon, bringing imports from Asia and elsewhere back to the rate of 1975 helps to create more jobs in Canada.

That is the main objective. In my area and in Quebec as well as outside thousands of textile workers are losing their jobs because of continued imports of all sorts of clothing made outside this country. I think they should rather buy Canadian to create thousands of jobs in Canada and not import or be afraid that some imports will not come in. There is not a dealer handling 100 per cent imports. In the majority of cases they have Canadian products, for sure.

And even they are permitted to import 75 per cent of the current quota. I think it is enough to continue to create jobs here, and that would not be one of my main fears. I think the Department of Industry, Trade and Commerce is simply doing its job, and it certainly has the support of the majority of government members.

● (2050)

[*English*]

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, thank you for giving me the opportunity to say a few words on the motion moved by my leader this afternoon:

> That this House denounces the government's failure to generate jobs in Canada, particularly in Quebec and the Atlantic provinces, and urges immediate and resolute action, including the early presentation of a budget.

I listened very carefully to the speech of our leader which, I thought, was a reasoned one and contained very good suggestions. It was well presented. I also listened to the speech of the

leader of the NDP (Mr. Broadbent), which similarly was good. However, I regretted his attitude at one point. For a while I even thought we were in government because he was attacking the Conservative party so much. However, I suppose that if, for 30 or 40 years, you cannot change the polls or win an election you have to lash out in every direction. Nevertheless, on one point I do agree with the Leader of the NDP, contrary to what the Minister of Manpower and Immigration (Mr. Cullen) said, namely, that there are more than 889,000 people unemployed in this country. The minister better realize that day after day members from the Atlantic provinces and from Quebec are in constant contact with people they represent. They receive letters from them saying, "Look, I have to get a job. You say, "Go to Manpower". Look, I am tired of going to Manpower. I've been going there for months and I cannot find any work there". This is not the fault of the officials in the Manpower offices. They do not have any work to give anyone. Let me give you an example.

The following is the type of letter I get from my constituents:

Dear Sir:

This is the first time that I have written to any MP. I guess there is a first time for everything.

The reason that I am writing is to get a little information to help plan my future. Just maybe you can help.

I am a widower, with three small children. I have worked every day since I got out of school. I was laid off at SYSCO ten weeks ago. I was wondering if you could advise me on my next move. I have been going around looking for work but there is none to be found. I love working; it keeps my mind off things. Do you think I should stay around and wait to see what happens at SYSCO or should I pull up roots and go west to look for work?

I have lived all my life in Sydney and I don't want to leave and I don't want to go on welfare. Do you think something will break soon?

Keep up the good work and keep fighting for the working man. May the Lord be in your corner.

This is the type of letter we get, time and time again, from many people who cannot find jobs. The thesis put forward by the Leader of the NDP is not new. I have stated it in the House before. I have also said it outside the House and I say now that the figures we get are not legitimate. There are thousands of people who are not classified as being unemployed in the Manpower offices, therefore they are not considered to be out of a job. So the figures we get are phony. There are over 1 million unemployed in this country. I say that to the Minister of Manpower and Immigration, who has become arrogant when anyone asks him a question about the unemployed in this country. He used to be a regular, fine, decent gentleman. I think he better watch out and take lessons from the Secretary of State for External Affairs (Mr. Jamieson) who knows how to answer people in the House and who does not get carried away by the importance of his position. We can do without his arrogance. It does not help the unemployed.

As my leader said, eight out of every ten Canadians joined the ranks of the unemployed from the five eastern provinces. These are not bodies, as referred to in bureaucratic language, they are not just figures or statistics, they are human beings.

[Mr. Muir.]

All we heard this afternoon was statistics. All the last speaker gave us was statistics. All we heard from the Minister of Industry, Trade and Commerce (Mr. Chrétien), from the Minister of Manpower and Immigration, and from the Minister of Finance (Mr. Macdonald) was statistics. But they do not pay the rent, they do not pay the mortgage, they do not buy the food, and they do not buy clothes for the kids.

• (2100)

Before I go any further I want to say a word about Quebec, La Belle Province. The good people of that province are not interested in separatism. They are not one bit interested in moving away from Canada. What they want is an economic climate in which they can make a buck. That green stuff talks. What is the use of being able to speak two, three or four languages if you cannot find a job? If we provide the proper economic climate—and the government should provide that climate—we will not hear very much about separatism in the province of Quebec.

On several occasions the Minister of Finance expressed his serious concern about the unemployment situation, and I believe him. He talks about job creation, but since December, 1976, he tells us that there have been only 79,000 new jobs created. What the hell is the good of 79,000 new jobs when over one million are unemployed? I know it has helped a little bit, but it is still not the answer.

The minister is the bantam rooster type. Although he is not small, he is ready for a fight. However, he condescended to say that the leader of our party and the leader of the New Democratic Party put forward some good suggestions, and that he would keep them in mind when he is proposing a budget a few months hence.

Mr. Ellis: That is where he gets his ideas.

Mr. Muir: That is quite right. I go along with one point in the amendment proposed by the New Democratic Party. In fact I go along with all of them. I go along with co-operative housing in Nova Scotia. The Minister of State for Urban Affairs (Mr. Ouellet) has been down there. The former minister, the minister who is now looking after the Boy Scouts of Canada, our last line of defence, the Minister of National Defence (Mr. Danson), was down there talking about a co-operative program in Nova Scotia which would provide jobs. He is doing nothing about it and has done nothing about it. The Minister of Regional Economic Expansion (Mr. Lessard) talks about grants and about all the jobs they produce, but they are not producing jobs in the Atlantic provinces. I do not know where they are producing jobs.

One of the factors which has affected the employment situation in Cape Breton in the last couple of years has been a strike at Nova Scotia Forest Industries, which affected 1,500 employees. That was a legitimate strike. The company was trying to get the employees to work for nothing. The Cape Breton construction industry is down to its lowest ebb in years, creating more unemployment, because of the economic climate in this country. Construction employment at the heavy water

plant has wound down. There was a disastrous fire at Devco's No. 26 colliery, which put more people out of work. There has been a softening of demand in the world steel markets. At Canadian Motor Industries we used to assemble Toyota cars, but that effort has gone down the drain. They have pulled out. I raised this matter time and time again with the then minister of industry, trade and commerce, but there were no results. Nothing happened. Forty of the boys who were laid off got together and borrowed $3,000 apiece and set up a fund of $120,000 to try to do something themselves with other agencies, but there was no co-operation either from the provincial or federal governments.

General Instruments employed 1,000 people assembling tuners for car radios and so on, but it is gone. There was no effort made by the Department of Industry, Trade and Commerce to keep that company there. The Kaiser strontium plant is going out of business. Just today the Nova Scotia development minister said that the province could not buy or subsidize this plant. That means 100 more people out of work. I tried to make contact with the Asahi Glass Company in Tokyo. What has Devco done about that? What has the Department of Industry, Trade and Commerce done to get them interested in taking over this plant? Nothing.

In the last two years 1,664 men have been laid off by the SYSCO steel plant, the Sidney Steel Corporation. Today, when I checked the number on the payroll at SYSCO, it was 2,290. Two years ago it was 3,954. The Minister of Industry, Trade and Commerce mentioned me in dispatches several times today during his speech that I was always raising hell and crying for more rail orders, etc. Why would I not, when we have all these steelworkers walking the streets, losing their houses, being put out into the cold, and unable to pay their electric bills because the power rates are so high?

The minister also said I have been after him about decentralization. Of course I have. Let us move a government department down to Cape Breton. That would provide 800 or 900 jobs. The lame excuse of the minister was that some members in this party did not think it would be a good idea. That is not the point at all. The minister misled the House because the members of this party, as well as the mayor of Ottawa, said that they want a program and that they want to know what is going to happen. Is there going to be an announcement tomorrow that some department is moving? We want to know ahead of time. The minister promised that there would be an outline right after Christmas, but it has not come yet. I would like to see a department brought down there so that people in that area can be employed. Let us not move people just for the sake of moving them. The Department of Veterans Affairs is moving to P.E.I., but that will not be for another three years. It might be like the causeway the Liberal Government was going to build to P.E.I.; it never did come about; perhaps the move of the Department of Veterans Affairs will not, either.

The Minister of Industry, Trade and Commerce said that no one is actually suffering from hunger and cold. I have gone with welfare workers and found people living in tents in cold weather, and tried to find places for them to live. Why does the minister not get with the people and find out what is going on? There are people who are starving in this country. There are people who do not have a place to live, no matter how many statistics the government throws around about housing starts, etc. There are people who are suffering.

An hon. Member: Give us solutions.

Mr. Muir: We will give you solutions. Why does the hon. member not make his speech standing up and not while sitting on what little brains he has? When I am through, the hon. member can speak. I am sorry, Mr. Speaker, to have to use that kind of language, but it is very apropos of the hon. member. In any event, our leader gave solutions today, and so did the leader of the New Democratic Party, but will they be used by this government?

What about the consortium Gerry Reagan is trying to set up for a new steel plant? Gerry Reagan used to sit here.

An hon. Member: Never heard of him.

Mr. Muir: The steel plant is going down the drain. He has played around with setting up a consortium for years. Why does this government not get busy? Mr. Reagan could not do it; his province does not have enough money.

This government has its priorities all screwed up. It can throw $40 million to Cuba, and money to Iran and all over the world. Why does it not send it to where it is really needed? There were 1,000 workers at the docks at North Sidney, stevedores—I say to the hon. member who is interjecting—maybe you do not know what a stevedore is because maybe you have never worked, but a stevedore is a person who works hard like a coal miner or a steel worker—but now the number is down to 200 per shift.

The Acting Speaker (Mr. Ethier): Order, please. When hon. members have the floor, they should address their remarks to the Chair.

Mr. Muir: Thank you, Mr. Speaker. You are very kind. There used to be 1,000 men per shift working there, and of course because this government gives subsidies to private shipping firms, the shipping goes in other directions. It does not go through the port of North Sydney to Port aux Basques in Newfoundland. So what happens? There are only 200 working there. The rest of them are walking the streets.

Under the terms of confederation, in accordance with section 31 of the terms of union of Newfoundland with Canada, provision was made for the taking over by Canada of the vessels and other marine services formerly operated by the Newfoundland Railway. Subsequently, by order in council, Canadian National Railways was entrusted with the management of these services.

Pursuant to section 32 of the terms of union, Canada is obliged to maintain, in accordance with the traffic offering, a freight, passenger and vehicle steamship service between

North Sydney and Port aux Basques. That is in Newfoundland, for the information of hon. members on the Liberal side.

The policy of the Ministry of Transport is, therefore, to conform with the terms of union and provide such service in keeping with demand.

CN Marine is the principal employer in both North Sydney and Port aux Basques. CN Marine employs somewhere between 2,000 and 3,000 people directly, and they, with their dependants, make up about 10,000 to 15,000 people.

Port aux Basques in Newfoundland has been historically the entry point for goods coming to Newfoundland from mainland North America. It is, therefore, incomprehensible that this government or this minister, "travelling Otto," should consider increased subsidies to some private outfit which cannot make it on its own, take millions of dollars of taxpayers' money, feed them the money to operate against a Crown owned corporation which has had its ships tied up in the harbour doing nothing.

There is another solution.

Mr. Peters: You have told them; now try to make them understand.

Mr. Muir: I would have to draw a picture; even then I do not think they would understand.

Further, Mr. Speaker, the constituency of Cape Breton-The Sydneys does not meet the qualifications for the additional $30 per week allowance for material costs associated with Canada Works projects because the Minister of Manpower states our unemployment rate is not high enough and we do not meet the other ridiculous criteria! That is poppycock, Mr. Speaker. The amount allocated for projects in Cape Breton-The Sydneys is a measly $382,000. That is crazy. That is not worth anything. Under the Local Initiatives Projects Cape Breton-The Sydneys received $1,700,000, unfortunately—I say unfortunately, because the unemployment rate was so high that is why we got so much. Of course we have to consider the formula used to determine the allocations under the Canada Works Program—now get this the constituency has to have had an unemployment rate in excess of 7 per cent for the first quarter of 1976. Then the constituency, according to Statistics Canada 1971 census figures—imagine-1971 figures—in the lowest 20 per cent of all ridings in terms of either average family income or the median value of single detached, owner occupied now farm dwellings. What gobbledygook! Did you ever hear the like of that Mr. Speaker? Down on the south shore in the riding of Queens-Lunenburg they call that "bafflegab". Nobody can understand it.

● (2110)

I say to the hon. gentleman who was shooting off before: try and explain that to a man who cannot find a job and has not been able to find one for over a year, and whose unemployment insurance benefits have been exhausted. He is not on the books anywhere. All I can say is that the bureaucrats who came up with this formula might know all the answers, but they damn well do not understand the questions. It is the same problem. Some ministers run their departments, and some departments run their ministers. If the Minister of Manpower and Immigration were interested in the unemployed, he would call those bureaucrats in and say "What kind of foolishness is this? Straighten that out. I want to see what it is all about."

We have the unemployment down there; that is the sad part of it. We have lost General Instruments. We have lost Kaiser Strontium. We have 200 out of 1,000 stevedores working, we have all of these steelworkers laid off, and coal mining—there is another solution. If the government wants solutions, the Arab sheiks have made DEVCO a success and the Cape Breton Development Corporation now that coal is becoming king again because of the energy problem. But try and get the government to open new coal mines! There is no faster way to put people to work than to open coal mines. Let us open two or three new coal mines. Even the oil companies in the United States are buying up leases and opening coal mines. Such cutbacks and restraints! You cannot even get an extension for mail delivery, which would provide half a dozen jobs for people in many areas.

Mr. Peters: No matter how you explain it to that backward member he will never understand.

Mr. Muir: The Minister of Industry, Trade and Commerce stated this afternoon "We are doing and have done everything possible". The Minister of Manpower and Immigration speaking for the government, of course, said this afternoon, "None of us have the answer to unemployment". Mr. Speaker, if on their own confession they have done everything possible and none of them have the answer—and they admit that—and we have over one million people unemployed, is it not time that those two ministers were moved and some crackpot like the member who has been interjecting be made a minister? He could not do any worse. There is no reason in the world why he could not be a minister. He is just as stupid as the rest of them. He reminds me of the man they tell about who was so stupid he did not know the difference between arson and incest, so he set fire to his sister.

The greatest joke is trying to find out about training from the Minister of Manpower and Immigration. I wrote to him trying to find out about training, and on November 30 he wrote to me as follows:

> I am pleased to be able to tell you that the federal-provincial manpower needs committee for Nova Scotia, carefully reviewed the supply of construction tradesmen—

We want tradesmen because at least they will get an allowance and it will help them to feed their families and they will be trained when they have to move to Ontario, or whatever they are forced to do. The letter continues:

> —and the need to train additional workers, to meet the needs of the proposed steel mill to be built by Cansteel.

Now listen to this part, Mr. Speaker:

> Although the project is in the planning stage, site clearance is expected to commence during 1977, and when construction gets under way approximately 1,600 tradesmen will be employed during the first year, rising to 3,700 in the fourth year.

To hon. members here that does not mean anything, but up to the the present time the Premier of Nova Scotia says no consortium has been set up. We do not know where they can put a steel plant. The Minister of Labour (Mr. Munro) does not know anything about it, and the Prime Minister (Mr. Trudeau) does not know anything about it, but the Minister of Manpower and Immigration tells me they are going to start construction.

Mr. Speaker, there is so much but I see my time is up and you are looking at your watch.

Some hon. Members: Continue.

Mr. Muir: Mr. Speaker, suggestions are being made. Let them get off their asses and get people to work and get this country back on its tracks again.

Some hon. Members: Hear, hear!

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I see by orders of the day that this is supposed to be an opposition day. Certainly we can understand now why the Progressive Conservative party and the other opposition parties were not in favour of having television brought in on our return after the Christmas recess. After watching the show just put on, I am sure it would not have a very high rating in terms of general entertainment across the country. It did seem to amuse some of the colleagues of the Leader of the Official Opposition (Mr. Clark), however—a few of the ten or 11 members of that party who are in the House this evening. There are not too many NDP or Creditistes either. Yet we know that there are approximately 125 members of the opposition. This is supposed to be an opposition day but they do not seem to find the motion put forward by the hon. Leader of the Opposition important enough to support.

Mr. Knowles (Winnipeg North Centre): There are only a dozen Liberals.

An hon. Member: Where is your minister?

An hon. Member: Fifteen members.

Mr. Harquail: I think it is rather a sad day—

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Restigouche (Mr. Harquail) has the floor.

Mr. Harquail: Thank you, Mr. Speaker. My sympathy is with you. I realize the great difficulty in having these people show some respect for parliament. They spend many hours preaching about it. Every speaker at one time or other, whether it is the right hon. member for Prince Albert (Mr. Diefenbaker) or others, lectures parliament on how important is is for us to have respect for it. Yet when a member stands in his place with his legal right to speak and be heard, this is what we have to put up with. I thank you, Mr. Speaker, for bringing order to the House.

Mr. Muir: The truth hurts.

Mr. Harquail: The hon. member for Cape Breton-The Sydneys (Mr. Muir) has a very short memory and failed to mention what the Minister for Industry, Trade and Commerce (Mr. Chrétien) said this afternoon when he informed the hon. member that they were very close to obtaining an agreement with Venezuela—

Mr. Muir: For five months and we are working on that. We have not got it yet.

The Acting Speaker (Mr. Turner): Order, please. The hon. member has had his say. I suggest we now listen to the hon. member for Restigouche.

Mr. Harquail: Mr. Speaker, I thank the hon. member for his support, but I suggest he should direct it to the Minister of Industry, Trade and Commerce to help him obtain that contract so that we can provide jobs for the people of Cape Breton that he was talking about.

Mr. Muir: We have been waiting for it. You had better wake up and find out what is going on.

Mr. Harquail: It is interesting to see the hon. member show a bit of respect for the government and the programs that are being carried out through DREE and the Department of Manpower and Immigration. He admitted that he received over $1 million through the Local Initiatives Program and that he is quite happy to accept additional money through the Canada Works program and will be quite happy to receive money under the Young Canada Works program. They always show great respect and great support for the government at that time.

Of course we know that in the maritime provinces, especially those administered by a Conservative government at the moment, they are very cautious not to mention the federal government after the agreements have been signed—not to mention the federal government after they have obtained these funds, but they are right there for the signing and are very anxious to get the publicity. They try to hoodwink or mislead the public by saying it is a provincial program, but their memories become very short when it comes time to mention where they got that money.

We all know that in terms of equalization payments so far as New Brunswick is concerned—they talked about one billion dollars last year. Half a billion dollars is handed over by the federal government to the province of New Brunswick on their day-to-day budget operations in addition to the hundreds of millions of dollars that is handed over through DREE and through regional development incentive programs. However, no mention is ever made after they receive the money.

• (2120)

It is much the same situation in Newfoundland. This afternoon the hon. member for St. John's West (Mr. Crosbie) talked about the same old stuff that he talked about in his maiden speech in this House. He said that at one time he was a minister in the government of Mr. Moores. He did not tell us

why he left Mr. Moores. He did not explain why he did not stay to help Mr. Moores solve some of the problems he was talking about. Nor did he tell us of any of the solutions he had for his province when he was a member of the present administration of Mr. Moores. The hon. member left the provincial administration and the Newfoundland people with their problems. He decided to let them try to work them out for themselves. However, he did not acknowledge the millions of dollars pumped into Newfoundland through equalization payments under DREE and other programs.

The effect of the 1977 indexing of federal personal income tax is close to $950 million. The effect of indexing family allowances is $160 million, and indexing old age security payments is $390 million. The effect of the change in the reduction in UIC payments represents $250 million. This is the type of thing we like to get on the record and speak about. We can be sure that we will not hear about it from the official opposition.

Mr. Friesen: Mr. Speaker, I rise on a point of order. I wish to point out that the hon. member's speech is the same speech that was read this afternoon by the Minister of Finance (Mr. Macdonald).

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Turner): I suggest to the hon. member that is not a point of order but a point of debate.

Mr. Harquail: I would only say that the hon. member for Surrey-White Rock, should get his eyes checked because I do not look like the Minister of Finance (Mr. Macdonald).

Mr. Muir: Is that an insult or a compliment?

Mr. Harquail: I will not let myself get down to the low tone of the debate we heard this afternoon and this evening from the previous speaker. I refuse to do that. I am one who likes to see dignity maintained in the House of Commons.

Some hon. Members: Oh, oh!

Mr. Harquail: I will not let myself be brought to the level of debate we listened to from the opposition this afternoon. The other day they said they wanted to do great things for Canada. We listened to Rodriguez.

Mr. Knowles (Winnipeg North Centre): Order!

Mr. Harquail: The hon. member for Nickerbelt, the Nickerbocker kid, or whatever he is called, tied up this House.

Mr. Peters: There must be some ridings you are able to pronounce.

Mr. Harquail: It is always nice to have the assistance of Mr. Peters.

Mr. Knowles (Winnipeg North Centre): Order!

Mr. Harquail: What is the name of your riding, Mr. Peters?

[Mr. Harquail.]

Mr. Peters: Timiskaming.

The Acting Speaker (Mr. Turner): Order, please. I suggest to the hon. member that he must refer to another hon. member by his constituency and not by name.

Mr. Harquail: Timiskaming, that does not surprise me.

As I said earlier, it is little wonder the opposition is opposed to having television brought into the House after witnessing some of the performances that go on here.

Mr. Muir: Even make-up wouldn't help you.

Some hon. Members: Hear, hear!

Mr. Harquail: The opposition takes great pains to avoid some of the facts and figures. For example, in addition to the amounts of money that I mentioned with regard to indexing federal personal income tax, and other programs and moves that have been made, the major transportation subsidy payments covering five areas transferred approximately $280 million to the Atlantic region in 1976. You can bank on it that the opposition would avoid mentioning that.

Tomorrow morning the Minister of Regional Economic Expansion (Mr. Lessard) will be signing a formal agreement with the premier of New Brunswick, the hon. Mr. Hatfield. This will represent in excess of $40 million to assist in the continuation of the construction of Route 11 from the city of Moncton to Campbellton, New Brunswick.

Some hon. Members: Hear, hear!

Mr. Harquail: This is as a result of long negotiations that have gone on because of the problems encountered as a result of the negative attitude of the Progressive Conservative administration in that province. However, I am delighted to be able to say tonight that at last we have an agreement. They have finally been wise enough to accept the money being offered to them by the federal government. After that agreement is signed tomorrow, I hope they will not be too bashful to mention that this money came from the federal government.

In addition to the sub-agreement with regard to the highways, there are the benefits that will come to them under the new agricultural program. The question of programs and amendments to the agricultural development subsidiary agreement, the agricultural agreement, is extended. In addition, money will be poured into that province by DREE under the small business incentives program, as well as more money in Kent county.

These are a few of the sub-agreements to be signed tomorrow. I am delighted to be able to announce and put on record in my speech this type of positive move being taken by this government. Of course the Minister of Regional Economic Expansion, in addition to negotiating with New Brunswick, negotiates continuously with Prince Edward Island, Nova Scotia and Newfoundland with regard to federal-provincial agreements. They bring millions of dollars to create new jobs, develop the highway structure so that the economy can be

improved, and assist in the development of the tourist trade of the Atlantic provinces.

This is the type of positive action the people want to know about. It has to be supported if we are going to continue to alleviate high unemployment. No one is sidestepping the fact that we are faced with these complex problems.

I hope that some day the opposition will sit down and seriously consider the problems facing this country. They should consider making some reasonably legitimate suggestions, rather than taking a full day of the time of this House with the type of motion that is before us today.

The decentralization approach which the government has taken, one area of activity with regard to the Department of Regional Economic Expansion, is revealed most markedly in the administration of the Regional Development Incentives Act. Provincial directors general now decide on cases involving up to $500,000 in capital costs and 40 jobs, while regional assistant deputy ministers are authorized to approve all cases involving capital costs of between $500,000 and $1.5 million and up to 100 jobs. As a result, more than 70 per cent of the decision making authority in this program is now outside the Ottawa area. The incentive officers have become increasingly familiar with their regions. There is greater co-operation than ever before between the two levels of government on the matter of incentives to industry. This is the type of positive approach that the government takes in co-operating with those provinces.

It surprises me to see in the motion before the House today remarks criticizing or calling for debate with respect to the type of assistance being given by this government to the four Atlantic provinces. However, it does not surprise me when we observe that the Leader of the Opposition (Mr. Clark) is not able to state his position on any of the policies which they like to skirt around and sidestep from time to time. He does not seem prepared, informed, or ready to take a stand on any of the issues facing us today.

He tells the Canadian people he would like to remain as Leader of the Official Opposition. In his travels across the country, he talks about how he will do this and that, and what a great future there will be. However, he does not seem to have the capacity or ability to put on record exactly what his position is with regard to the very difficult problems which face us today.

The Canadian people will be watching the performance of the opposition very closely. We hear them continuously moan, cry, and lament. It will not be surprising to see them remain in that position for another ten or 15 years, as has been the case for the last number of years. When you consider their performance and input in this House, you observe almost a non-opposition situation. They say nothing constructive. They do not seem to be interested in putting forward worth-while ideas. It appears they would prefer to sit in the House and be entertained, as we found when the previous speaker was making some smart remarks about the situation in Cape Breton Island.

• (2130)

Mr. Muir: You go down there and tell the people what you are saying now.

Mr. Harquail: He, and two or three of his colleagues were amused. They had a great time. But, as I said earlier, I would much prefer that they should look seriously at the comprehensive and effective program which has been introduced by the government, and the positive steps which have been taken. I think, for example, of the hundreds of millions now being spent by the Department of Manpower and Immigration and of the steps taken by the Minister of Finance (Mr. Macdonald) to ease the situation through a number of programs and policies.

The situation today reminds me of the situation last year when the opposition took a great deal of the time of the House setting themselves up as great defenders of labour. They were speaking against the establishment of the Anti-inflation Board. We all agreed that something drastic needed to be done to halt galloping inflation, and the action taken at that time has proved a positive step for the government to have taken. Today we hear labour people, including many of the senior labour organizers and officials, agreeing with the position taken by the government; they are supporting it in almost every sector, and encouraging the government to move cautiously before removing these restraint measures. I believe this speaks well of the dynamic and decisive leadership which came from the government in a most critical period.

This is a government which accepts its responsibilities and does not turn its back in difficult times but marches forward and meets problems head-on. Not only do we meet problems head-on but we resolve to come up with policies and programs to eradicate the situation, as has been evident in 1976. I invite the opposition to accept its responsibilities and try to refrain from excessive and unnecessary verbiage of the kind we have to listen to in the House from time to time on so many occasions. I realize we have to try to work with the opposition. That, after all, is the set-up. That is the structure of parliament. There must be an opposition, and if we had a good opposition it would make for good government and the better working of the parliamentary system. Unfortunately some of those who make up the opposition fail to make a positive contribution as far as their role is concerned.

Going back to the Atlantic area, I should like to take the opportunity to encourage those who are charged with the responsibility for administering the province of New Brunswick to accept their responsibilities in terms of seeking to develop policies and programs which would show a greater degree of co-operation between the two levels of government in many areas, not only in the area of DREE where they smilingly sit down to accept all those moneys, but also in the area of education, health and welfare, and justice, as well as some of the other on-going programs. I would encourage them to be serious and accept their responsibilities in the day-to-day administration of that province and to see that the moneys forwarded to them by the federal government are indeed spent in the various sectors of that province as they have been

destined and directed to be spent. I am thinking of one particular area which I understand is being cleared up now in the northern part of the province I represent. It has to do with the second language program; for the last few years they have said there is no money to hire extra teaching personnel or to arrange for facilities to carry out this program.

An hon. Member: What do they do in Moncton?

Mr. Harquail: That is another subject I shall deal with tomorrow.

The positive steps taken by the Minister of Finance with respect to the subsidies and other federal moneys which are being awarded to the Atlantic provinces certainly do not place the opposition in a very happy position today. In the motion they have placed before us they mention the unemployment position, but they are not prepared to mention the fact that the Minister of Manpower and Immigration (Mr. Cullen) has taken some definite and positive steps in this area to provide jobs through the strategy he has put forward in connection with the Canada Works and Young Canada Works programs. Only today he announced new time limits with respect to applications to accommodate students and young people who wish to participate in the Young Canada Works program—

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

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I am very dismayed that we on this side of the House were obliged to bring in a motion today in order to focus attention on what I call a national disaster, that is, high unemployment. The last speaker talked about decisive leadership. All I can say is that at this time in our history we find there are increasing numbers of our youth who feel alienated, increasing numbers who are prepared to work but are unable to do so because of incompetence in the management of the economy. We have not found jobs for our youth.

When the hon. member refers to decisive leadership, I think of the senior citizen who is frustrated and who feels that we, as parliamentarians, do not realize the presence within that group of a bank of skilled resources from which there have not been sufficient withdrawals, that the government has no idea of what these people could do in terms of bringing about a better climate in terms of the economic situation. They have been put out to pasture. That is the kind of decisive leadership the hon. member was talking about. He continually forgets that business is suspicious. Business is also frustrated and is holding back. Why? Because the government likes to play games and it likes to change the rules during the game. He talks about decisive leadership, and I think of the farmer who wants to eke out a decent livelihood. Under the policies of this government that is not possible. The hon. member talks about decisive leadership, but I think of the way this government conducts its federal-provincial relations. This government believes in confrontation, not consultation and co-operation. That is why this country is in a hell of a mess.

• (2140)

Some hon. Members: Shame!

Mr. Alexander: The provinces say that this is the government's idea of co-operation and consultation: "We have option A and option B and we are going to push ahead with option B; what do you want to do?" I am not making this up, Mr. Speaker.

I had a very pleasant experience in the Atlantic provinces. They told me that that was the way the federal government operated. But do you know what really disturbed me? I have been fortunate enough to have the confidence of my constituents since 1968, but I listened to the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Portelance). I want to be kind because he is a nice chap and means well, but he is a Liberal and sits on the other side of the House and he has to read the speech that is prepared for him. I wonder whether he is getting the same number of letters that I am getting from university and high school graduates who are now looking to members of parliament for jobs. Does the parliamentary secretary not receive those kinds of letters from people in all professions, Ph.D.'s in chemistry, engineers, business administrators, high school students? I hear some nitwit over there, but that is what he calls them, not me. He has no idea what we are talking about here. Does the parliamentary secretary not receive these letters?

The Acting Speaker (Mr. Turner): Order, please. The Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Portelance) is rising on a point of order.

Mr. Portelance: Mr. Speaker, I am sure I heard the question that the hon. member for Hamilton West (Mr. Alexander) asked me, and truly I never received one letter from any of these well-qualified people in my region.

Mr. John Campbell (La Salle-Émard-Côte Saint-Paul): Mr. Speaker, the hon. member referred to me by indicating me with his finger. I have not received one such letter, and I think all the comments he has made are completely false and he should read his speech more attentively.

Mr. Alexander: As I was going to say, Mr. Speaker, this is my yardstick. This is how I can tell that this country is in trouble. I do not know where other hon. members go. Perhaps they do not go to their offices. But when they tell me that they have not received one letter from a university graduate or a Ph.D., then I wonder why the parliamentary secretary was so selective. Why did he tell me how many letters he had received from anybody who is looking for a job?

Mr. Portelance: I said I did not.

Mr. Alexander: Now says he did not. You see how they deliberately try to confuse, how they try to mislead. He is not talking to any dummy over here, though he may think so. Be honest and be truthful.

We are experiencing right now the problems and frustrations of our youth. When we think what the government has

done with respect to research, both medical and scientific, with the government's tunnel vision that money has been cut off. This is one of the most important matters to which we should be addressing ourselves because through research we are dealing with our future. But through its shortsightedness and tunnel vision our researchers are doing what? Perhaps the parliamentary secretary doesn't understand this either, but they are all going south, and more will be going south.

I am not here to be mean, Mr. Speaker. I am not being mean tonight; I am trying to whack some sense into the brains of hon. members opposite. I heard what the parliamentary secretary said; he did a beautiful job, so he thought. He said that we had to look at unemployment in its true context. Then he started to describe conditions around the world. Well, I am not interested in conditions around the world; I am interested in the leadership that should come from this government to solve this very chronic and desperate situation. Do not try to bamboozle the people by comparing us, say, with Angola. I know he did not mention Angola, but I do not know why he did not, because with all due respect it is a very dishonest way to look at a very humane problem.

Then he said that living standards here are high and he started to compare them. I am not interested in comparisons; I am interested in what this government is going to do. I like the parliamentary secretary, he is a nice guy, but he must be talking about members of parliament when he says living standards are high. Everybody thinks that our standard of living is high. I do not want to tell you, Mr. Speaker, what my wife thinks about that, but let us not try to say that things are great so we should not get too excited. That is not a proper approach when there are some 900,000 people out of work, though others have said that because of the confusing way we compile our unemployment statistics the figure could be one million.

To say we should look at unemployment in its true context and to relate it to the living standards of other countries is no way to approach the problem. We have senior citizens who want to work and become involved in the mainstream of Canadian life. Yet the government says to them. "Get out of the work force at 65 because you are not going to get any more unemployment insurance; you cannot contribute by way of premiums, nor will you get any benefits". That is the mentality of this government. This reservoir of manpower which could be of such importance to the development of this nation is told by the government that at 65 its members should get out because they are useless, whereas other workers can contribute to and benefit from unemployment insurance. What kind of nonsense is that?

On the other hand, those who want to work, our youth, cannot get jobs because the government does not have the imagination or the aggressiveness to bring about the job creation that is so needed. They laugh at us, Mr. Speaker. They tell us the minister will be making an announcement regarding DREE. Up until this the government has believed that this is a problem that does not concern the Canadian people. Surely when we go to our respective ridings we hear the problems of the frustrated. Do we not hear about the problems of the unemployed?

As I have said, I have been in the Atlantic provinces and I am going to Quebec soon, I hope, God willing, in order to share the experience of our senior citizens in regard to their quality of life. We are concerned about unemployment in Quebec and the Atlantic provinces, and that is why we have underscored it.

• (2150)

We urged the government and pleaded with the government to take immediate, resolute action, including the early presentation of a budget. As my leader pointed out earlier today, eight out of every ten Canadians who joined the ranks of the unemployed in 1976 lived in the five eastern provinces of Canada. That is a shame, a national disgrace.

Mr. Muir: The hon. member for Restigouche (Mr. Harquail) did not seem to realize that. He did not seem to know anything about that.

Miss Bégin: Are your Ph.D's ready to go there, to work?

Mr. Alexander: In Newfoundland 13.6 of the people were unemployed; in New Brunswick, 11.1 per cent, or more; in Prince Edward Island, more than 9 per cent; in Nova Scotia, more than 9 per cent were unemployed, and in Quebec the figure is 10 per cent and climbing. Lord knows, if the true figures were only known we could perhaps add another five or six percentage points to all those statistics.

Some people do not appreciate that it is one thing to be unemployed in Ontario but quite another to be unemployed in the Atlantic provinces or Quebec. Why, Mr. Speaker? The reason is that jobs do not exist in the Atlantic provinces. The jobs just are not there; the opportunities are not there, and there is no industrial development in the area. In Ontario the situation is quite different, and I say this with all due respect to those who may be unemployed. I hope the people of Hamilton will understand what I am trying to say. It seems to me that it is much easier to get a job in Ontario and, say, Alberta.

We may say we are all Canadians, that we are all pulling together and that there is equality of opportunity. However, for some of us there is more equality of opportunity and that disturbs me. When there is not equality of opportunity one sees animosity and anger. Anger builds up to such a pitch that you find the Liberal government of Quebec being kicked out—but I will not dwell on that.

Mr. MacFarlane: Come on; you are talking about the land where I lived. Do not talk about it that way.

Mr. Alexander: As I was saying, because the government in Quebec did not have its ear to the ground, did not keep its eyes open and see the people's economic frustration, it was kicked out of power. It goes to show you what can happen.

When we came back from the Christmas recess, what was the government's priority in terms of matters it brought for-

ward for consideration in this House? At a time a slow growth, high unemployment, business uncertainty and lack of confidence, we debated television coverage of proceedings of the House. I do not care one way or the other if television is brought into this House. Frankly, I do not think it will last. Once people see some of our dismal performances, my own included, they will turn their sets off very quickly. But that item was brought forward because it had priority. It was brought forward while economic questions begged for solution. As I said, the unemployment rate is a national disaster and a national disgrace. What has happened shows that the government has a callous disregard for the suffering of hundreds of thousands of Canadians.

I condemn their hesitancy in moving, condemn their foot-dragging and condemn their procrastination. That is the government's attitude. The government says, "We will wait to see what Jimmy Carter does; he is the savior. What happens in the United States is bound to rub off here."

We knew what was coming. Heaven only knows—I know the hon. member for Timiskaming (Mr. Peters) wants to speak and I will not rob him of his opportunity—heaven only knows, the Conference Board in Canada, the University of Toronto Institute of Policy Analysis and the Organization for Economic Co-operation and Development pointed out most vividly to members of parliament, the people of Canada and the government that, in the absence of immediate action, we shall face higher unemployment and a stagnant economy. Despite all those economic indications and forecasts, the government sat back, silent. It took outsiders to tell the people of this country what is happening in this country, and all the time the government remained silent, hesitant and indifferent. It turned a deaf ear and watched the unemployment figures rising until they reached the one million mark.

In human terms, Mr. Speaker, we are talking about anger, frustration, despondency and futility. One million people unemployed means that retailers cannot sell their wares. Unemployment of that proportion affects producers. You start multiplying the effects of unemployment and you will see what a hell of a mess this country is in.

I have a lot more to say, Mr. Speaker, but out of respect for my hon. friend, I will let him wind up this debate in his usual manner.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was not particularly interested in winding up this debate. However, I have listened with interest to the speeches which have been made and I feel sad for the Canadian public. The motion we are debating is most worth while. In some of our regions unemployment is running as high as 20 per cent.

An hon. Member: Thirty per cent.

Mr. Peters: Yes, perhaps as high as 30 per cent. Yet some hon. members ridiculed what the hon. member from Cape Breton said about unemployment today. In addition, an hon. member from Newfoundland rose and ridiculed the whole problem of unemployment, when about one in five in his area is unemployed.

An hon. Member: It was the hon. member for Restigouche (Mr. Harquail).

Mr. Peters: It does not make much difference. There is a lot of unemployment there as well, Mr. Speaker.

Mr. Crosbie: Mr. Speaker, I rise on a point of order. It makes a difference to me, because I was the only speaker from Newfoundland in this debate and I did not ridicule unemployment. The hon. member is referring to the hon. member from New Brunswick, the hon. member for Restigouche (Mr. Harquail).

The Acting Speaker (Mr. Turner): Order, please, that is not a point of order. It is a point of debate.

Mr. Peters: Mr. Speaker, in the riding of almost every member of this House, including Ontario constituencies, there is a considerable amount of unemployment. The unemployment question is dammed important in northern Ontario ridings. It is important for all hon. members of this House to consider not only the question of unemployment, but how we can create employment.

I was shocked to hear many members on the government side offer nothing constructive and only offer lots of ridicule. If the government is really serious in asking for the co-operation of all parts of Canada to end this problem, it should not be looking to Jimmy Carter for salvation. We, in Canada, should ask ourselves what we can do to provide jobs. The government would be well advised to institute in this House a debate which would allow members of parliament to provide input as to how employment in this country is to be created. I suggest that a winter works program will be of little benefit in many areas and will not cure our difficulties or provide regular employment, the sort of employment people can count on day after day. I am ashamed that many members of parliament have not made more constructive remarks.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADIAN PACIFIC RAILWAY—COMMUTER SERVICE IN MONTREAL AREA—REQUEST FOR REPORT

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, the constituency of Vaudreuil includes the Canadian Pacific Railway commuter passenger train service that runs from Rigaud through Hudson, Vaudreuil, Ile Perrot, Ste. Annes, Baie d'Urfe and Beaconsfield, into Montreal. A total of about 7,500 passengers use this line each day on which there are a total of 26 stops. The annual loss is over $300 per passenger.

The announcement of the CPR in January of fare increases, coupled with drastic cuts in the number of trains, was followed by some 40 letters to me from individuals and municipalities requesting federal intervention to stop the reduction in service.

Most of the complaints relate to the reduction in trains between Vaudreuil and Rigaud. About 400 passengers a day use this section of the line. In such a situation one does not first argue jurisdictional responsibilities, so on Thursday of last week I proposed a motion which can be found on page 2667 of *Hansard*. It reads:

● (2200)

That the Minister of Transport personally intervene on behalf of all the commuters in the Montreal area and solicit from CPR a postponement of its intention to reduce the frequency of service until the province of Quebec indicates its policy on or before July 1.

The request for the postponement is related to the urban transportation study by the province of Quebec which is expected on or before July 1 of this year.

In recent months the Minister of Transport (Mr. Lang) has intervened to obtain a delay in the introduction of fare and service changes for the Montreal commuter rail services announced by CNR and CPR. The minister has indicated that the financial support of these services is the responsibility of the province of Quebec, and his intervention has been taken to minimize inconvenience to the public until the provincial government has determined how it will exercise its responsibility.

Although it is acknowledged that the provision of urban transportation services is the responsibility of municipal and provincial governments, which should also take responsibility for the costs, a federal program of capital assistance can help in relieving problems by providing capital to assist in the expansion of public urban transportation services.

I recognize that any federal urban transportation assistance program is not likely to subsidize the operation of urban commuter and transit systems. Nevertheless, this government has made a commitment to provide assistance to urban areas in order to alleviate their transportation problems. The promise of this financial assistance, and the role played by the federally appointed Canadian Transport Commission, led to the public appeal to the federal government.

I appreciate the prompt action of the Minister of Transport. Many residents in the constituency of Vaudreuil are entirely dependent upon public transportation, and service cuts of the magnitude of those announced by CPR would impose considerable hardships on those people who, for a multitude of reasons, do not have the use of a private automobile.

Now that there is a little more time for a fuller discussion of the subject tonight, I will be pleased to hear any further comments from the minister or his parliamentary secretary.

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Mr. Speaker, first I would like to congratulate the hon. member for Vaudreuil (Mr. Herbert) who raised this important question on urban transportation. It is not the first time that the hon. member has raised that question in the House. He also raised it in committee. I think the Minister of Transport (Mr. Lang) agrees with this philosophy or principle raised by the hon. member.

[*Translation*]

Current urban criteria being what they are now, the aim of the Department of Transport is to banish cars from the heart of the cities to give public transport the priority. Since then, many meetings have been held between federal and provincial governments and, in the case of Ontario, it was clearly established where responsibilities would like for public transport services.

Even now in Ontario, Go Transport and Go Transit exist; the work is performed by the federal government but the province of Ontario finances the deficits. The problem of urban transport is urgent and we want to follow up on the request of the hon. member. On October 25 last, a meeting was held of all the mayors of the municipalities concerned. Transportation by CN rail was then discussed: we have Laval-des-Rapides and Montreal: the hon. member for Vaudreuil (Mr. Herbert) is now speaking of the same problem with regard to the role of the federal government in connection with the services given by the CP on the south shore. I should like to point here to the hon. member for Vaudreuil that I am quite willing to table the correspondence exchanged at that time with the minister of transport, Mr. Raymond Mailloux, with regard the shared responsibilities.

At the October 25 meeting last year, with regard to the increase in costs and decrease in services, it was agreed with the minister of transport, Mr. Raymond Mailloux, that before July 1 a report would be tabled at the National Assembly on integrated urban transport services, specifically for the south shore and the north shore at Montreal. We therefore hope that that report will be tabled . . .

[*English*]

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the parliamentary secretary, but his allotted time has expired.

TRADE—LEVEL OF CHEESE IMPORTS—GOVERNMENT POSITION

Mr. John Wise (Elgin): Mr. Speaker, my colleagues and I on appropriate occasions in the past have made numerous representations to the Minister of Industry, Trade and Commerce (Mr. Chrétien) and the Minister of Agriculture (Mr. Whelan) regarding the unacceptably high level of cheese imports.

Adjournment Debate

On January 25, 1977, I asked the Minister of Industry, Trade and Commerce to clarify press reports attributed to the chairman of the Canadian Dairy Commission to the effect that the freeze on cheese imports imposed a year ago would be extended for an additional year. I also asked the minister if he would not consider using a well accepted government practice of utilizing a previous five-year averaging approach in establishing a more acceptable and equitable basis for cheese import levels. If such a principle were to be adopted, our cheese import level would be somewhere in the neighbourhood of 38 million or 40 million pounds.

Replying in the usual fine tradition of his cabinet colleagues, the minister said in part that he would inquire. It is widely known and recognized throughout the industry that, although naturally not accepted by the government, the decision to freeze import cheese levels at 50 million pounds a year ago was largely, if not entirely, the result of opposition protests, protests which were raised here in this House on this side of the House.

Concern about this problem is the result of a number of factors. When the quota on cheese imports was first set by the government in 1975, it was established at too high a level. Imports of variety cheese in 1973 and 1974 were 38 million pounds and 45 million pounds respectively. If a significant portion of such imports had not been subsidized by the countries of origin, the volume experienced in the two years prior to the application of the quota would never have been achieved.

Second, in 1974 it is common knowledge that greater volumes entered Canada illegally because of inadequate policing methods, and further to that, no action was taken except to legalize the entry.

Third, another case in point involves cheese believed to be from East Germany which is trans-shipped via West Germany and enters our market at the level of 56 cents a pound. This transshipment situation was never proved; however, there is no way West Germany could sell cheese at 56 cents a pound when the Common Market support prices are close to a dollar.

Yet another factor which discredits the use of 1974 cheese levels as a standard is the fact that more cheese was imported due to a shortage of Canadian milk that particular year. The government failed to take into account that commencing in 1972 Canada's trade in cheese had become totally imbalanced, largely because of the trade protection measures imposed by the European Economic Community, whose member countries enjoy some 65 per cent of the share of the expanding cheese trade into Canada.

Our cheese exports, which traditionally have been dominated by sales to the United Kingdom, fell from the 30 million pound level in 1970 and 1971 to 18 million pounds in 1972 and to 6 million pounds in 1973. Since then they have amounted to less than three million or four million pounds.

In contrast, cheese imports, mainly from the trading bloc which has wiped out our traditional export market, have nearly doubled, from some 20 million pounds in 1970 to probably close to 50 million pounds in 1976.

[Mr. Wise.]

• (2210)

When the loss of cheese exports is combined with the growth of cheese imports over the past five years, the Canadian dairy industry has lost a potential market for half a billion pounds of industrial milk, or about 5 per cent of total requirements.

Every ten million pounds of cheese imported into Canada cost the Canadian dairy industry approximately $4 million. It should not have come as any surprise to the federal government under these circumstances that the dairy industry strongly opposed the establishment of the quota level at 50 million pounds in the past two years. The government failed to recognize that the Canadian dairy industry is quite capable of producing nearly all the varieties of cheese that are being imported into this country. The government has implied that this is not possible, and that consumers must be able to purchase the cheese of their choice. I wish to lay this myth to rest once and for all. It should be noted as well that savings on lower cost cheese imports are not passed on in the same relative proportions to the consumer.

In the first place, the Canadian industry manufactured and offered for sale to the public, some 50 different varieties of cheese in 1975, many of which are the exact same varieties being imported. Second, about a dozen specialty cheeses which together make up about half the imported varieties in tonnage, either are or can be manufactured in Canada without difficulty.

It is nonsense to suggest that Canada requires the imported cheeses because of our inability to make them. The real problem is the government's lack of policy to prevent imports from being subsidized by the countries of origin. The effect of this is that the Canadian manufacturers have no incentive to invest in plant and equipment to manufacture some of the large volume import varieties here.

I would like to point out that a ten million pound reduction in cheese imports would generate some $20 million or more of sales for the domestic industry, while at the same time saving skim milk powder export costs of close to $5 million.

It should be noted, as well, that the special access agreement for mature Canadian cheddar which Canada worked out with the EEC in early 1975, and which the government announced with considerable satisfaction, is in today's environment practically worthless. It is high time for the government to review this access agreement and either improve it or put more restrictions on cheese imports from EEC countries to Canada.

I would suggest that the responsibility for the control of all dairy products should rest with the Canadian Dairy Commission, which already manages dairy product export operations. It controls butter imports and has a vital over-all co-ordination role to play in carrying out federal government dairy policy.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but his allotted time has expired. The hon. Parliamentary Secretary to the Postmaster General (Mr. Smith).

Mr. Walter Smith (Parliamentary Secretary to Postmaster General): Mr. Speaker, I rise with pleasure this evening to correct the unfounded and misleading statements which the hon. member for Elgin (Mr. Wise) made in this House on January 25, 1977.

I should like to begin by advising hon. members that the Minister of Agriculture (Mr. Whelan) has never proposed that the cheese import quota should be doubled. The global cheese import quota was first implemented in Canada in 1975 in support of the domestic supply-management program for industrial milk. Prior to this date, there was no limitation on the quantity of cheese which could be imported into this country. The government took this action under Article 11, section 2 subsection (c) of the GATT which permits the implementation of import restrictions in support of supply management programs. The maximum import level for all types of cheeses was maintained at 50 million pounds for 1976-77, and the Minister of Agriculture has already indicated on numerous occasions that this level will not be increased for the 1977-78 dairy year.

It should be noted that under this quota imports of cheddar cheese are limited to a maximum of one million pounds. The other 49 million pounds represent specialty cheeses. The market for these cheeses has increased rapidly in Canada in recent years to the point where it is now economically feasible for Canadian cheese manufacturers to produce some 60 varieties. However, Canada continues to import some 200 cheese varieties, the market of which for many of these does not justify their production in Canada. Hopefully, with increased consumption of these varieties, it will become economically feasible to produce them in Canada, as has happened with numerous other varieties of specialty cheeses.

The maintenance of the quota of 50 million pounds has permitted the domestic industry to absorb growth in the market such that the cheese sector accounted for some 31 million hundredweights of milk, or 30 per cent of the industrial milk supply in 1976, compared with 29 million hundredweights, or 27 per cent of industrial milk supply in 1975.

Rather than restricting opportunity in the Canadian cheese industry, the limit on imports has permitted it to look to the future with confidence.

MANPOWER—CANADA WORKS PROGRAM—FUNDS FOR NATIVE PROJECTS IN URBAN COMMUNITIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we in this country, as in most countries in the industrialized western world, face severe unemployment. Figures released by Statistics Canada for January, 1977, indicate that there were 889,000 people unemployed. As far as I can tell, the government proposes to deal with this problem mainly by means of the Canada Works program. It proposes to spend $200 million in the 1977-78 fiscal year.

For phase one, the period beginning April 4, 1977, it has only allocated $60 million. According to my calculations, it proposes to spend approximately $6.25 per unemployed person in the next six months. In phase two, beginning October 31, 1977, the government proposes to spend $118 million.

President Carter of the United States faces about the same problem as Canada with an unemployment rate of about 7½ per cent. In the next two years he proposes to spend $16 billion on job creation, $8 billion a year. Canada has about one-tenth the population of the United States. If we were to emulate the U.S. proposal, we would spend about $800 million this year on job creation. Instead, the government proposes to spend $200 million.

The people most adversely affected by unemployment in this country are our native people. When we talk of 889,000 people unemployed, we have eliminated from our calculations the majority of our native people, certainly those in western Canada. They have worked so little on the reserves that they are not even included in the statistics compiled by Statistics Canada.

The Minister of Manpower and Immigration (Mr. Cullen) proposes in the Canada Works program special and separate allocations for works programs for Indians living on reserves. He said in a letter which went to every member of parliament dated February 1, 1977, and I quote:

● (2220)

> The purpose of this approach is to ensure that sufficient funds are available to deal with the particularly severe unemployment problem among this section of our population.

I agree with the minister that this constitutes a particularly severe problem. On many reserves as much as 80 per cent of the employable population is without employment. I agree completely with the decision of the minister to allocate special funds for work projects among the native people. What I object to very strenuously is the fact that allocation of these funds has been limited to Indian people living on reserves. Thus, in the province of Manitoba, for example, seven rural constituencies get special funds for native people, the amounts varying from Churchill with $843,000 in the next fiscal year, to Lisgar with $14,000.

I commend the minister for making a beginning for native people living on reserves. What I object to is that for the six urban constituencies in and around Winnipeg not one dollar is allocated for a special program. What we find in Manitoba is a situation in which the native population is increasing by between 3 and 4 per cent every year while the population on the reserves is remaining static, with the result the whole of the increase is effectively taking place in the city of Winnipeg. In that city there are now 10,000 registered native people and between 20,000 and 30,000 non-status people. The majority of both those groups live in the constituencies of the hon. member for Winnipeg North Centre (Mr. Knowles) and myself. Most of them have no more that a grade five or grade six education. Their housing is the poorest. Their health is bad. A large percentage of them is unemployed and living on welfare.

It seems obvious the minister should extend the Canada Works program and the proposal to allocate money for native employment to include cities such as Winnipeg, Regina, Cal-

gary and Vancouver which are facing increased problems as a result of the movement of native people from the reserves into the cities. I would urge the minister to reconsider his decision and to give favourable consideration to the question I raised on February 8.

[*Translation*]

Mr. Arthur Portelance (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I wish to point out that we give special attention to the natives when distributing funds for the Canada Works program. In the first place, we have provided a special allowance for status Indians living on reserves and on Crown lands. Indeed, since they are not included in the inquiry on people at work made by Statistics Canada and that they will probably not be eligible for unemployment insurance benefits, they would not otherwise be taken into consideration in the basic allocation of funds.

Likewise, we do not grant special allowances to status Indians nor to the Metis people who do not live on reserves, because they are not included in the inquiry on people at work. However, when the advisory commissions draw up the list of priorities submitted by non-status Indians, they also take in consideration the proposals from Metis and status Indians who are not living on reserves. In addition, if we do not receive enough reasonable suggestions from Indians living on reserves and on Crown lands of a riding, the unused funds are added to the riding's allowance and the Metis and status Indians who do not live on reserves get the priority in respect of these additional funds.

More precisely, about the electoral district of Winnipeg North, Mr. Speaker, I would add that the rate of surplus manpower is 6.01 per cent. Regular allowance amounted to $100,000. Since the riding does not include status Indians living on reserves nor on Crown lands, it has not received the special allowance that was intended.

In the ridings that did not receive a special allowance for Indians, the members of the advisory commissions have been asked to take into account the needs for employment in their riding and to give priority to suggestions made by sectors or groups where unemployment is the highest. If, in the electoral district of Winnipeg North, the natives living in cities represent a group where unemployment is high, I am sure the advisory commission will give them priority; further, considering the allowance made to Winnipeg North, I am convinced that the natives' needs will be met satisfactorily.

The Acting Speaker (Mr. Turner): Order, please. A motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Friday, February 11, 1977

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

BILL OF RIGHTS

PROVISION OF FREE COPIES TO MEMBER FOR PRINCE ALBERT FOR DISTRIBUTION—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter which I hope will meet with the approval of all members of the House in view of its subject matter. In view of the government's desire to distribute material which will promote pride in Canada's traditions and history, as shown by the decision of the Secretary of State (Mr. Roberts) to expand the flag program to allow every member of parliament to distribute free 50 large Canadian flags, 200 small ones and 500 lapel pins, and in view of the importance to Canada's political and legal heritage of the concept of a Bill of Rights, I move, seconded by my distinguished seatmate the hon. member for Fundy-Royal (Mr. Fairweather):

That in the opinion of this House the Department of Supply and Services should continue to supply the right hon. member for Prince Albert (Mr. Diefenbaker) with free 18-inch by 24-inch copies of the Canadian Bill of Rights for distribution to Canadian institutions and citizens.

Some hon. Members: Hear, hear!

Mr. Speaker: Order. Pursuant to Standing Order 43 the presentation of such a motion for debate cannot be done without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Baker (Grenville-Carleton): Ron Basford said no.

Some hon. Members: Oh, oh!

* * *

ANTI-INFLATION BOARD

EFFECT OF BOARD DECISION ON PAY OF FLOUR MILL EMPLOYEES ON CONSUMERS—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I too rise under the provisions of Standing Order 43 concerning the serious situation which has developed in the province of Quebec over the non-delivery of bread. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

[*Translation*]

That this House express its strong disapproval of the decision made by the Anti-Inflation Board to cancel the agreement between Quebec flourmills and their employees, because as a result of that decision many stores can no longer offer bread to Quebec consumers.

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

* * *

● (1110)

[*English*]

EXTERNAL AFFAIRS

REQUEST U.S.S.R. REVIEW DECISION TO DENY PERMISSION TO PROFESSOR SALANSKY TO EMIGRATE TO ISRAEL—MOTION UNDER S.O. 43

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I rise on a matter of pressing and urgent necessity related to imminent criminal proceedings in the U.S.S.R. against Professor Nahun Salansky—I wonder, Mr. Speaker, if you could ask the House to be quiet.

Mr. Speaker: The hon. member for Vancouver South will realize that the difficulty is caused just as much by those who are close to him as by those who are far away.

Some hon. Members: Hear, hear!

Mr. Fraser: Realizing that the difficulty was coming from both sides, I felt it appropriate that Your Honour should intervene.

I rise on a matter of pressing and urgent necessity related to imminent criminal proceedings in the U.S.S.R. against Professor Nahun Salansky, an internationally respected Soviet scientist who desires to emigrate to Israel. In view of the fact that a letter to the Ambassador of the U.S.S.R. from myself concerning Professor Salansky was delivered in Ottawa on January 31, 1977, but has been neither acknowledged nor answered, I

move, seconded by the hon. member for Fundy-Royal (Mr. Fairweather):

That this House request the Secretary of State for External Affairs to immediately ask the Ambassador of the U.S.S.R. in Canada to respond to the said letter and to inform the government of Canada what action, if any, the government of the U.S.S.R. is prepared to take to review the circumstances under which Professor Salansky and his wife and son are presently denied permission to emigrate to Israel.

Mr. Speaker: Such a motion pursuant to Standing Order 43 can be presented for debate only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

SUGGESTED PUBLICATION OF PLANS FOR FOOD POLICY—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise on a matter of urgent and pressing necessity. As this House is no doubt aware, thousands of volunteers across this country have designated next week as Canada Food Week to discuss the related issues of food and agriculture. I therefore move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That the government contribute to the discussion by making public its plans for a comprehensive food policy that will include recognition of the importance of agriculture to the Canadian economy.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

COMBINES

ALLEGED COLLUSION IN THREAT OF BANKS AGAINST DAILY CALCULATION OF INTEREST ON DEPOSITS—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, having been successful in getting the House to support a motion of mine under Standing Order 43 yesterday, I hope it will happen again today.

Mr. Dionne: I was not here yesterday.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): The hon. member identifies himself as Mr. No. In view of the blackmail threatcned by the Canadian Bankers Association in its assertion as to the steps the 12 chartered banks it represents will take if they are required by law to calculate interest every day and credit their customers every month, and in view of the fact that this threat represents obvious collusion, I move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That the Minister of Consumer and Corporate Affairs be urged to launch an immediate investigation under the Combines Investigation Act into the collusion of the chartered banks in their threat against certain provisions of the proposed Borrowers and Depositors Protection Act.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ANTI-INFLATION PROGRAM

TARGET FOR RATE OF INFLATION IN 1977—REASON FOR DELAYING BUDGET—DURATION OF CONTROL PERIOD

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. The other day in the House I directed a question to the minister about the government's inflation targets for 1977. At that time the minister stated that his hopes of achieving their targets, and I think I quote him, were tempered by some of the difficulties of the economic situation. Since we now have a CPI increase of almost one per cent in January, the largest jump in some 13 or 14 months, is the minister prepared to give the country and the House some clear indication of the inflation targets for 1977 of the government of Canada?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would point out that on the year-over-year basis, the rate is at 6.1 per cent. As I indicated in my speech yesterday, and have on many previous occasions, we would anticipate that through 1977 there may be some increase in the consumer price index, but we are confident that we can bring that level down to the target which has been set out for some 15 months of 6 per cent by the end of 1977. I have to say that the prospects of getting below the 6 per cent rate in the current calendar year are difficult, but of course that does remain a target. We anticipate that there will be some increase in food prices, and other price elements in the consumer price index will not be coming down as quickly. But the target, which I have stated a number of times, of 6 per cent by the end of 1977 remains attainable, and depending on economic circumstances we are still hopeful we might go below that.

Mr. Clark: Mr. Speaker, clearly one of the factors upon which that will depend is government policy. Will the minister give the House some indication of when we can expect to have a budget from the government, and if it will not be in the next

two to three weeks, will he tell us why he is delaying the introduction of a budget in a period when the CPI is going up, when unemployment is going up, and when the controls regime is clearly forcing a diversion of investment out of the country?

Mr. Macdonald (Rosedale): It seems to me that the last comment is without substantial foundation whatsoever. The government has indicated very strongly its policy with regard to inflation, that is to restrain the increase of expenditure at the public level, in support of the Bank of Canada to restrain the growth of the monetary mass in Canada, and, above all, to maintain the program of controls for the purpose of bringing down the increases in the consumer price index. I am now in the process of preparation and am indeed in pre-budget consultation and I will be indicating to the House, probably within a couple of weeks, the time in the next several months when we propose to make a budget presentation.

Mr. Clark: Did I understand the minister correctly to say that part of the program of the government is to maintain the controls, and if that is what the minister said, can he give the House some indication of how long the government intends to maintain the program of controls and when we might have a specific indication in that regard?

Mr. Macdonald (Rosedale): I have responded extensively on this point. The intention would be to maintain the controls for the year 1977, unless we can expect from major decision makers in the economy some strong commitment and support to restrain the kind of inflationary increases which might occur if the control program were taken off prematurely. This is the statement I have made on a number of occasions both in and out of the House.

REASON FOR PERMITTING GROWTH IN GOVERNMENT EXPENDITURES—REASON FOR FAILURE TO REDUCE SALES TAX

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is also for the Minister of Finance. As the minister has indicated that it is government policy to restrain spending at the government level, which this week was indicated to be up again by 11 per cent in the coming fiscal year, would the minister indicate, if his target of a 6 per cent inflation in the current year is to be met with a real growth at 3.5 per cent, why is government spending contemplated to go up by 11 per cent, which would appear to be 1.5 per cent greater than the growth in the GNP?

Hon. Donald S. Macdonald (Minister of Finance): We have systematically set for ourselves a program over a period of time to reduce the percentage of the GNP that the government of Canada takes. I expect we will meet the target for the fiscal year 1976-77. We have set a lower target for 1977-78 and we expect to be able to meet it. Obviously, economic circumstances may vary within a year. It is important in expenditure planning to have longer term targets and systematic planning.

Mr. Stevens: My question is again for the Minister of Finance. As a reduction in the federal sales tax would be clearly deflationary in that this tax, being placed at the manufacturers level, triggers a pyramid of price increases, and in view of the fact that the tax is one of the most regressive of all taxes, hitting the poor relatively more than higher income people, would the minister indicate why his department has been so reluctant to reduce this tax?

• (1120)

Mr. Macdonald (Rosedale): The hon. gentleman may not be aware that the manufacturers' level sales tax is not applicable on very many of the basic commodities which make up the demands of Canadians, and I am referring here to food, clothing and other articles. The manufacturers' level sales tax is applied very substantially elsewhere throughout the economy, as I indicated in the budget debate. If I recall the figures, I think to eliminate the manufacturers' level sales tax would require the equivalent of a 25 per cent increase in personal income tax.

Mr. Stevens: Or cut your spending.

Mr. Macdonald (Rosedale): The hon. gentleman says we should cut spending. Presumably, he would advocate a greater increase in unemployment, which is something we would not like to have at this time.

REASON FOR DIFFERENCE BETWEEN CANADIAN AND UNITED STATES RATES OF INFLATION

Mr. Sinclair Stevens (York-Simcoe): The minister referred to the current CPI figure in Canada. Would he indicate why, with controls, we are not doing as well in controlling inflation in Canada as they are in the United States without controls, where the over-all price increase based on total expenditures is 4.8 per cent compared with the 9 per cent increase in Canada?

Hon. Donald S. Macdonald (Minister of Finance): The hon. gentleman will recognize, I hope, that contrary to what has been said at some points, the controls program has not been restrictive in Canada, particularly on the wage side. The goal is to bring the rate of inflation down slowly. We have succeeded in doing so to this point without having to go to the levels of recession to which the United States' economy went several years ago.

Mr. Stevens: They have less unemployment than we do.

Mr. Macdonald (Rosedale): If the hon. member is recommending for the Canadian economy a 6 per cent recession, as the American economy had, then I think hon. members would wonder about his judgment.

Some hon. Members: Hear, hear!

Oral Questions

AGRICULTURE

DATE OF ANNOUNCEMENT OF FOOD POLICY AND ACTION TO DEAL WITH ITEMS RELATED TO FOOD PRODUCTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Since the major reason for the increase in the consumer price index is the 1.2 per cent increase in the cost of food, including almost all food items, and since the cabinet received a recommendation, I understand, from its D.M.10 group at a cabinet meeting which took place in the first week of June last year that the government should prepare a comprehensive national food policy, I would like to ask the Prime Minister when we might expect such a comprehensive policy announcement from the government.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we do not contemplate any announcement. We intend to enact our policy as it is decided.

Mr. Broadbent: Could the Prime Minister inform us when we might expect these particular enactments from the government? I am thinking of the fact that the controls program does not apply to most of the components which make up the consumer price index as it affects food, so I would like to ask the Prime Minister if the detailed announcements to which he refers will cover such items as energy costs and the cost of the implements which are used in the production of food. Will they pertain to farm income, which dropped 20 per cent recently, and will the Prime Minister have something to say about competition policy as it affects the cost of food?

Mr. Trudeau: Some of the elements mentioned by the hon. member are controlled now. Energy, farm implements and the whole distribution and processing process are under the anti-inflation guidelines now. As far as other policies are concerned, they will be announced from time to time.

Mr. Broadbent: Given the very real need for a comprehensive approach to food policy both from a consumer and a producer point of view, and given the need to meet in an honest way the difficult trade-offs which are involved, would the Prime Minister explain to the House why the cabinet turned down the recommendation it received from its senior group of civil servants last June to come forward with a comprehensive national food policy?

Mr. Trudeau: I am not aware that we turned down anything. We have been examining policies put forward by various departments and deputy ministers, and we have been adopting or modifying various elements of them.

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ENERGY

KITIMAT PIPELINE—CONDITIONS PRECEDENT TO APPROVAL

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. Canadians will receive no initial oil supply from the currently proposed Kitimat pipeline, and British Columbia will develop a domestic shortfall of oil from Alberta in the early 1980's. Can the government assure parliament that before any approvals are given for such a pipeline condition, tied to such approval will be surety of supply to Canadians from such a pipeline, longtime economic benefits not just to the United States but also to Canada, and secure environmental safeguards?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think the hon. member is anticipating the kind of considerations that the National Energy Board would give to the application before it now. I have indicated in the House that the government would of course consider the recommendations of the National Energy Board. They would also wait to receive the environmental impact studies which are to be undertaken before making a decision.

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ENVIRONMENTAL AFFAIRS

POSSIBILITY OF LEGISLATION TO MAKE CANADIAN ENVIRONMENTAL LAWS EQUIVALENT TO THOSE OF UNITED STATES

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the statement of a former Liberal member of parliament and leader of the British Columbia Liberal Party that the United States authorities believe our environmental legislation both at federal and provincial levels is inferior to United States federal and state legislation, and therefore a Canadian tanker terminal and pipeline could be built without the studies and safeguards that would be insisted upon in the United States, will the Prime Minister assure the House that supplemental legislation that will make Canadian environmental legislation not only equal to but superior to United States legislation, will be introduced and implemented in Canada before any approvals are given for pipelines?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I apologize. I will have to take notice of the question. Perhaps the Minister of Energy, Mines and Resources can help on this.

KITIMAT PIPELINE—REQUEST FOR ASSURANCE OF PUBLIC HEARINGS AND DISCLOSURE OF ENVIRONMENTAL IMPACT STUDIES

Mr. Bob Wenman (Fraser Valley West): A final supplementary question, Mr. Speaker. Can the Prime Minister assure the House that environmental hearings proposed by the Minister of the Environment will include the right of all interested parties to participate in the hearings and that all information gathered in environmental assessments will be made available to parliament and the public in order that full public debate and disclosure will ensure environmental safeguards rather than that the Kitimat pipeline will be chosen only because it is the proposal of least resistance?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, it might be wise for me to read the question carefully before trying to answer it fully. I can tell the hon. member, however, that our approach is that we are in favour of public hearings. We are canvassing now to see the type of person who could direct them. I have taken the very clear position that we want all the knowledge and facts to be open on the issues. I hope the debate will take place with full knowledge of the facts.

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EXTERNAL AFFAIRS

CANADIAN POLICY ON ESTABLISHMENT OF TANKER PORT ON WEST COAST—SUGGESTION KITIMAT PIPELINE WAS ACCEPTABLE TO CABINET

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs to whom questions were put yesterday by the hon. member for Vancouver South. I believe the minister wanted a day to bring himself up to date. Can he tell the House whether it is the Canadian position that there be a single tanker port on the west coast or that we will accept multiple or more than one supertanker port on the west coast?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for giving me an opportunity to answer. There is no declared policy with regard to either a single port or multiple ports because the issue is still being examined by all parties concerned, including myself and the premier of British Columbia as recently as yesterday. The whole issue is being explored. I am not in a position personally to judge whether a single port would be the best alternative but if it turns out that is the case, then that is the position we will advocate.

Mr. Jarvis: A supplementary question, Mr. Speaker. In view of the fact that the minister was talking to the premier yesterday, and in view of allegations or specific statements in the British Columbia Energy Commission report of last September that the Kitimat proposal was generally acceptable to cabinet, which the Prime Minister described yesterday as being grossly misinformed, is the minister in a position to tell the House whether he has been able to determine the source of that information? In other words, who in the cabinet grossly misinformed the British Columbia Energy Commission?

Mr. Jamieson: Mr. Speaker, it must have been the same person who grossly misinformed the hon. member.

• (1130)

ENVIRONMENTAL AFFAIRS

PRODUCTION OF METHANOL FROM SURPLUS WOOD—GOVERNMENT POSITION

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, my question is for the Minister of the Environment. A preliminary report entitled "An economic pre-feasibility study" has recently been released by the minister dealing with the production of methanol from surplus wood. Intergroup Consultants of Winnipeg in their report foresee a major new Canadian industry creating up to 49,000 new jobs and producing up to five billion gallons of methanol annually, worth $800 million. Could the minister advise the House what steps the government will take to verify the preliminary findings, and has he consulted with the Minister of Energy, Mines and Resources about this exciting breakthrough?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I certainly found that the briefing on this subject offered exciting prospects. The Minister of Energy, Mines and Resources and my department support continued research in this area which can offer interesting prospects for Canada.

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THE BUDGET

REASON FOR DELAY OF PRESENTATION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, may I return to questioning the Minister of Finance? Since this has been a week of record announcements, record unemployment and record inflation—

An hon. Member: And record questions.

Mr. Grafftey: —may I ask the minister this question? Although the inflation and unemployment rate in the United States is lower than in Canada, and since President Carter had hardly put his feet under his desk than he put before Congress a comprehensive package to tackle the same problem facing Canada as well as the United States, I ask, why does the minister, when the situation is worse in Canada than in the United States where they are acting, sit on his hands and wait for an indeterminate date while his officials prepare a budget?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as I pointed out yesterday, and I refer the hon. gentleman to my remarks, the government of Canada through the various measures which are now operative put forward a greater percentage program for stimulating personal disposable income than did President Carter.

Mr. Stevens: That is not correct.

Oral Questions

THE CANADIAN ECONOMY

SUGGESTED ADOPTION OF NEW CONSUMER PRICE INDEX—ACTION TO STIMULATE ECONOMY

Mr. Heward Grafftey (Brome-Missisquoi): A supplementary question, Mr. Speaker. Since, according to our analysis on this side of the House, our consumer price index takes into account only a very small percentage of the increase in prices, as compared with the index in the United States, and since the system here does not give us a comparable rate, when will a new index be used by the Canadian government, to show the people really how bad the situation is? And, in answering the hon. member for York-Simcoe, did the minister really believe that by controlling government expenditures and properly stimulating the private sector we would be increasing the inflation rate in this country? In other words, when are we going to have action from this government in the middle of a cold, sad winter?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I repeat, effective as at the beginning of this year there has been, in substance, a $3 billion transfer in the direction of personal disposable incomes.

An hon. Member: Oh! It was $1.7 billion yesterday.

Mr. Macdonald (Rosedale): I suggest to the hon. gentleman that the kinds of measures which his leader was suggesting yesterday are now operative in this economy. In percentage terms they are greater than those put forward by President Carter. The suggestion that the hon. member has a new consumer price index, or a new statistical system which we should follow, I find interesting. It might be useful if he were to submit his findings to my colleague the Minister of Industry, Trade and Commerce. Statistics Canada might have something to say about it.

ALLEGED HARDSHIP CAUSED SENIOR CITIZENS BY INDEXING PENSIONS ON BASIS OF CONSUMER PRICE INDEX—GOVERNMENT ACTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I direct my question to the Minister of Finance. Having toured this country to learn the quality of life of our senior citizens, and noting that the food component of the consumer price index jumped upward 1.2 per cent in January, which caused the over-all consumer price index to rise by 0.9 per cent, the largest monthly increase since November, 1975, and noting as well that senior citizens of Canada will still lose part of their buying power for bare essentials, despite indexing, I ask if the minister is aware that old age security benefits as indexed through the consumer price index really do not assist senior citizens who are primarily interested in costs of food, clothing and housing? Will he admit that, for these people, the formula used is creating a hardship?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think it is difficult in a general consumer price index to make certain that it measures the demands of everyone in the economy. I do not imagine that even the personal indexing system as proposed by the hon. member for Brome-Missisquoi would be able to satisfy that. The fact is, there will be some differences between the impacts on different groups in the community. I think it is fair to observe that if the food component is particularly important to this group, and it is important to all Canadians, that they have really been very much the beneficiaries of the very substantial drop in food prices which has occurred over the last ten months.

Mr. Alexander: A supplementary question, Mr. Speaker. Notwithstanding the minister's unacceptable answer and his belief that it is impossible to derive some formula which would assist our senior citizens, will the minister explore all avenues, in order to determine whether it is possible to introduce a better formula for indexing old age security pensions and thereby give our senior citizens a break?

Mr. Macdonald (Rosedale): Mr. Speaker, I would be glad to discuss this with the Minister of National Health and Welfare. As for the food component, may I point out to the hon. gentleman again that it is below the level of one year ago.

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EXTERNAL AFFAIRS

PROPOSED REPRESENTATION TO SOVIET UNION TO ADHERE TO HELSINKI AGREEMENT AND RELEASE CERTAIN PEOPLE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Secretary of State for External Affairs. Would the minister consider making representations to the government of the U.S.S.R., urging it to abide by the agreement signed at Helsinki and protesting the imprisonment of certain persons and the violation of human rights in recent months in the U.S.S.R., as has the United States secretary of state in the last couple of weeks.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, yes. I answered that question in a different form earlier in the week. Certainly, there will be periodic representations made on the question; they will be made not merely to the U.S.S.R. but to other countries as well which we feel are not living up to either the spirit or the letter of the Helsinki accord.

Mr. Orlikow: A supplementary question, Mr. Speaker. Would the minister consider making representations to the government of the U.S.S.R., urging the release of the people imprisoned recently, including Mykola Rudenko and Oleksii Tykhyi, Alexander Ginzburg and Amnur Zavurov, to mention just a few of those imprisoned in recent months.

Mr. Jamieson: Mr. Speaker, as I said, I answered that question previously and the answer is yes, Mr. Speaker.

REQUEST FOR REPRESENTATIONS TO SOVIET UNION TO RELEASE NAHUN SALANSKY

Mr. John A. Fraser (Vancouver South): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs? It arises out of my motion moved earlier this morning and the letter which I delivered to the ambassador of the U.S.S.R. in Ottawa on January 31 concerning Nahun Salansky who is presently being denied the right to emigrate from the U.S.S.R. to Israel. I gave the minister notice of my question.

May I ask the minister to use his good offices, get in touch with the ambassador of the U.S.S.R. here, in Ottawa, and ask what action, if any, has been taken with respect to the letter; also, could he impress on the ambassador that any action he could take or any review which the government of the U.S.S.R. might make in this matter would be a humane and compassionate act and go a long way toward being a symbolic act in favour of the principles of the Helsinki accord?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for having given me notice of his question. I have also read the comprehensive letter to the Soviet ambassador. I will make inquiries immediately as to whether we have already made representations in this case. Certainly, I will do everything within our power to call this matter to the attention of the appropriate Soviet authorities.

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POST OFFICE

CHALLENGE OF MANITOBA COMMUNITY NEWSPAPERS ASSOCIATION ON MAIL DELIVERY—REQUEST FOR TABLING OF HAYS REPORT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. Is the hon. gentleman aware of the challenge issued by the Manitoba Community Newspapers Association, to the effect that they can deliver their papers faster by pony express than by mail?

Some hon. Members: Hear, hear!

An hon. Member: All the way to Sturgeon Falls.

Mr. Dinsdale: Is the Postmaster General willing to bet on the outcome of the challenge and will he accept the invitation to be present at the climax of the contest?

● (1140)

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, I should like to point out that although they have issued a challenge they want to wait until spring. They do not want to have the race in the wintertime. I shall be pleased to accept that challenge. This is a contest which undoubtedly the Post Office will win. I know the quality of the horse flesh in Manitoba, having seen some pretty fine performances there, but I am sure the Post Office has no competition at all from the pony express or any other express which is in vogue in this country.

Mr. Dinsdale: In view of the continuing tarnished public image of the Post Office, as demonstrated by this incident in Manitoba, and in the interest of freedom of information and helpful public discussion, would the hon. gentleman table the Hays Report on the post office which, according to press reports, contains constructive criticisms and excellent recommendations on reforms to be carried out in order to restore Canada's mail service to its former high level of efficiency?

Mr. Blais: A large measure of the recommendations in that report have already been implemented. The report has received a great deal of publicity and evidently it is available to the press. I shall consider his recommendation very seriously.

RESPONSIBILITY FOR COST OF MAILING LOTO CANADA FLYERS

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is also directed to the Postmaster General. Can the hon. gentleman tell us who paid for the flyers being distributed to support the purchase of Loto Canada tickets and who paid for the mailing of those flyers?

Hon. J.-J. Blais (Postmaster General): I did not receive notice of that question but I will look into it for the hon. member's information. I am very pleased that Loto Canada has looked to the mails as a means of informing people of this worthwhile program. I would hope that all governments, whether at federal, provincial or municipal level, will do the same.

Mr. Ellis: Provided they pay for it.

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GOVERNMENT ADMINISTRATION

POSSIBILITY OF TRANSFERRING CERTAIN AGRICULTURAL AGENCIES TO JURISDICTION OF CONSUMER AND CORPORATE AFFAIRS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is addressed to the Prime Minister since it concerns a question of government reorganization. In view of the fact that the current edition of *Farm and Country* reports that the federal government may be giving serious consideration to transferring the National Farm Products Marketing Council and its agencies, plus the Canadian Dairy Commission, to the jurisdiction of the Department of Consumer and Corporate Affairs, and states: "Farm groups have not been consulted and agriculture minister Eugene Whelan may still be in the dark", can the Prime Minister assure us that the report is unfounded and that no consideration has been given to such a proposal?

Right Hon. P. E. Trudeau (Prime Minister): I have never heard of it, so I doubt whether anything is proceeding in that direction.

[*Translation*]

INDUSTRY

MEASURES TO PROTECT SHOE MANUFACTURERS

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce, but in his absence I will put it to the right hon. Prime Minister.

In view of the threat of massive lay-offs in the shoe industry in Canada, does the government intend to take measures similar to those it took last November 29, I think, to protect the Canadian textile industry?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take note of the question and discuss it with the Minister of Industry, Trade and Commerce. However, I thank the hon. member for his notice.

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[*English*]

TRANSPORT

WEST COAST FERRIES—IMBALANCE OF SUBSIDIES FOR EAST AND WEST COAST SERVICES

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question, also, is for the Prime Minister. In his answer to the hon. member for Vancouver Quadra on December 22, 1976 at page 2244, with reference to subsidies for west coast ferries, the right hon. gentleman said: "There is an element still to be decided". Will the Prime Minister tell us whether he has yet decided that element, how much money he is prepared to allocate to the west coast ferries to ensure that the gross imbalance in the subsidy as between the east and west coasts can be rectified in a manner which is fairer to the taxpayers of British Columbia?

Right Hon. P. E. Trudeau (Prime Minister): This is a question for the Minister of Transport. I will take notice of it on his behalf.

WEST COAST FERRIES—REQUEST FOR TABLING OF LETTERS EXPLAINING FEDERAL VIEWPOINT ON SUBSIDIES

Mr. Allan B. McKinnon (Victoria): The Prime Minister has informed the House that the federal point of view is explained in letters exchanged between the Prime Minister and the premier of British Columbia. Will he kindly table these letters so that the rest of us can be privy to his rationalization of the 100 to one imbalance between east coast and west coast ferry subsidies?

Right Hon. P. E. Trudeau (Prime Minister): If I cannot table the letters, at least I will try to persuade the hon. member, through argument, that his figures are grossly unbalanced.

[Mr. Trudeau.]

EXTERNAL AFFAIRS

REFUSAL OF PERMIT TO EXPORT CESIUM TO SOVIET UNION—GOVERNMENT POSITION

Mr. Jake Epp (Provencher): Mr. Speaker, my question is directed either to the Secretary of State for External Affairs or to the Minister of Energy, Mines and Resources. In 1976, a permit to export 150 metric tons of crude cesium ore to the U.S.S.R was refused by ITC, although trade had taken place involving this commodity for the previous seven years. Is a ban now in effect on cesium exports and, if so, has action been taken to stockpile this valuable material in order that domestic research into its use as a catalyst to prolong the life of fossil fuel can be undertaken, thus creating employment, and especially allowing mines such as Tantalum Mines at Bernic Lake, Manitoba, to continue operations?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): I recall hearing some months ago about the prohibition of this particular export. I am not in a position at the moment to say whether shipments have been resumed or whether the material is still on the restricted list but I will make inquiries and see what, if anything, can be done. My recollection is that cesium is regarded as being in the category of strategic materials but I will have to look into the matter more deeply.

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GOVERNMENT ADMINISTRATION

DEPARTMENTAL RESPONSIBILITY FOR PROPOSED YOUTH CORPS—DATE OF ACTION ON PROPOSAL

Mr. Paul Dick (Lanark-Renfrew-Carleton): A question for the Prime Minister, Mr. Speaker. On October 14 last year the right hon. gentleman and his cabinet colleagues indicated in the Speech from the Throne that the government intended to set up a youth corps. Since that time we have heard little about it, other than a comment by the Minister of National Defence to the effect that it might be environmentally oriented and that he did not know whether it would be under the jurisdiction of his department or not—perhaps it would be under the Minister of Manpower and Immigration or the Minister of the Environment. Has the government yet decided, some five months after the announcement, which minister will be responsible for the youth corps?

Right Hon. P. E. Trudeau (Prime Minister): If the hon. member checks the record he will find we have already implemented a great many of the programs set out in the Speech from the Throne and we intend to implement a great many more before the end of the session.

Mr. Dick: Which minister will be responsible?

Mr. Trudeau: You will see.

Mr. Dick: In view of the fact that more than five months have gone by since the government made the announcement—

and obviously before making the announcement they did not think it out—is it the intention of the government to wait another five months before taking action on youth unemployment generally?

Mr. Trudeau: The hon. member should realize that the Speech from the Throne addresses itself to the program for the entire session. It is not abnormal that in the first half of the session we should only implement the first half of what is mentioned in the Speech from the Throne. What does he expect us to do in the next half—adjourn the House?

* * *

VETERANS AFFAIRS

POSSIBILITY OF PENSIONS FOR WIDOWS OF VETERANS WHOSE DISABILITY PENSION WAS LESS THAN FORTY-EIGHT PER CENT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in the absence of the Minister of Veterans Affairs I should like to address my question to his parliamentary secretary. In doing so, may I say that this party wishes the minister a speedy recovery. In addition, we are even willing to support him in bringing in legislation which should have been brought in many years ago. Can the parliamentary secretary report to the House on the minister's position with regard to introducing legislation to do away with the glaring discrimination against widows whose veterans husbands died when receiving a disability pension of less than 48 per cent?

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): First, let me say I was speaking to the minister yesterday and expect he will be leaving hospital today. He is doing well, and will not be long away from the House.

Some hon. Members: Hear, hear!

Mr. Railton: As far as the widows are concerned, a letter has just come to the department from the widows of prisoners of war, and I know that this question of the widows to whom the hon. member referred is under consideration, together with other matters which were left over from last year. I am quite certain that the minister will have something to announce by way of legislation within the next two or three weeks.

* * *

● (1150)

CONSUMER AFFAIRS

INVESTIGATION OF COST OF EXCESSIVE CONCENTRATION BY SUPERMARKET CHAINS—REQUEST FOR REPORT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I also have to ask a question of the Prime Minister, in view of the absence of the Minister of Consumer and Corporate Affairs. It has been about one year now since the Mallen report told the government that excessive concentration by supermarket chains cost Canadian consumers an extra four cents on every food dollar which they spent. Will the Prime Minister tell the House what are the results of the investigation which the Minister of Consumer and Corporate Affairs promised to conduct into this situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will inquire of the minister when he returns to Ottawa.

PROPOSED MONITORING OF SUPERMARKET CHAINS—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): May I try a supplementary question, Mr. Speaker, in case the Prime Minister is aware of the answer? In June, in a memo to cabinet, DM's 10 group said that the government should admit that important concentration and market power problems exist in food processing, distribution and retailing, and recommends that the competition bureau make this sector a priority for monitoring under stage two of the Competition Act. I should like to ask the Prime Minister whether or not he knows this will be done.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Speech from the Throne has stated that phase two of the Competition Act will be introduced this session and that is still our intention.

* * *

GOVERNMENT ADMINISTRATION

POSSIBILITY OF ADDITIONAL GUIDELINES FOR CONDUCT OF CROWN CORPORATIONS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a question for the President of the Treasury Board arising out of a report to the board of directors of Polysar on certain invoicing and payment practices in Polysar International. I should like to ask the minister whether any consideration is being given to introducing standards of business conduct similar to the 17 which were proposed to the board of directors of Polysar, excellent ones I might say. Would the minister indicate whether it is his intention to consider those codes in addition to the announcement which he made to the House on December 16 involving corporate codes of conduct in regard to Crown corporations doing business within Canada and outside Canada.

Hon. Robert K. Andras (President of Treasury Board): Mr. Speaker, the guidelines which I announced on behalf of the government in December the hon. member is already familiar with. The whole question of better financial control and management of Crown corporations is under intense examination, but there will be some announcement in the fairly immediate future with regard to this.

Mr. Mazankowski: A supplementary question, Mr. Speaker. Having regard to the fact that the board of directors has been forced to impose these new standards of conduct, could I ask

the minister whether he is actively investigating any other corporations with a view to determining whether in fact such similar codes should be asserted as well with respect to other corporations? Is this going on as part of the investigatory process which he is undertaking?

Mr. Andras: Mr. Speaker, I would not call it an investigatory process but an awareness that there has to be a general improvement in the financial management and control of Crown corporations. We are also doing this in consideration of the very serious problem of accepting the accountability factors which we have established in parliament over many years. All of those considerations are going into this intense examination to which I have referred.

* * *

OLYMPIC GAMES

NUMBER OF UNSOLD SILVER COINS—GOVERNMENT ACTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Postmaster General. In view of the fact that ample time has passed in order to complete any remaining Olympic coin orders, would the minister now advise the House as to the number of silver Olympic coins which are left unsold, and what plans does the government have to dispose of them?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, I know that the hon. gentleman would like us to have completed all the sorting out and tying of loose ends in the coins program. Unfortunately, we have not as yet done this. As he knows, we have had some difficulties relating to orders which were computerized and which eventually were lost, and which we are now trying to recoup. I am not at this time in a position to indicate to the hon. gentleman how many coins will be left after all of the orders have been filled.

Mr. Jelinek: A supplementary question, Mr. Speaker. There have been some reports leaked from the Mint to the effect that there exists an over-run of several hundred million dollars worth of unsold silver coins. I should like to ask the minister whether he is denying this allegation, and at the same time would he advise the House whether or not the over-run, whatever it may be, will be melted down in due course, and who will bear the cost?

Mr. Blais: Mr. Speaker, I cannot comment on a leak.

Mr. Speaker: Order, please. I believe I overlooked a final supplementary from the hon. member for Vegreville.

[Mr. Mazankowski.]

GOVERNMENT ADMINISTRATION

GUIDELINES FOR CONDUCT OF CROWN CORPORATIONS

Mr. Don Mazankowski (Vegreville): Thank you, Mr. Speaker; I appreciate your indulgence. I simply wanted to point out to the minister that I appreciate the fact that the investigation is under way into the financial management and control and accountability aspects, but my question really concerns more the matter of business conduct, morality and ethics rather than the broad question of financial management and control. I am simply asking the minister whether he has engaged in an investigation of that kind in addition to the one to which he alluded.

Hon. Robert K. Andras (President of Treasury Board): Mr. Speaker, I do not think I can elaborate further on the guidelines which were announced in the House. All Crown corporations, either directly or through the ministers responsible, have been advised of the significance which we attach to the conduct of Crown corporations in this whole field, and the guidelines have indeed been conveyed to them and to all ministers. At the time I announced the guidelines I indicated to the opposition that we would very much welcome their suggestions on how they could be further improved. So in that general sense I do not think we are in disagreement.

* * *

NATIONAL BUILDING CODE

REQUEST FOR REMOVAL OF RESTRICTION ON USE OF PLASTIC BATHROOM FIXTURES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in the absence of the Minister of State for Science and Technology and the minister responsible for DREE, I will direct my question to the Minister of Public Works whose department is involved in the substance of my question. The National Research Council has recently changed the building code putting serious restrictions on the usage of plastic bathroom fixtures. This is seriously hindering the development of Boeing of Canada Limited in Winnipeg and other plastic manufacturing firms across Canada. This is ludicrous, Mr. Speaker, as DREE has made a substantial grant, not a loan, to Boeing to expand their facilities and to create jobs. I would ask the minister whether he would investigate and have this restriction removed from the national building code.

Hon. Judd Buchanan (Minister of Public Works): Mr. Speaker, I will be happy to draw this representation to the attention of my colleagues.

Mr. McKenzie: A supplementary question, Mr. Speaker. Would the minister also investigate why the National Research Council has not accepted the invitation of Boeing to visit their plant so they can gain firsthand understanding and knowledge that these plastic products will not catch fire?

Mr. Buchanan: Again the same response, Mr. Speaker.

[*Translation*]

AGRICULTURE

DAIRYING—REQUEST THAT GOVERNMENT ABSORB EXPORT CHARGES

Mr. Roch La Salle (Joliette): Mr. Speaker, in view of the absence of the Minister of Agriculture and his parliamentary secretary, I shall put my question to the right hon. Prime Minister.

As the Minister of Urban Affairs admitted barely ten days ago on television that the government had erred in its dairy policy; as that policy has led to in the last year the disappearance of hundreds of dairy producers, specially in Quebec, and as the government has not agreed to absorb the cost of export costs as does the European Economic Community in the case of its dairy producers, I should like to ask the Prime Minister if, under those circumstances and bearing in mind the hardships of the dairy producers, he is willing to comply with the recommendations of the federation to the effect that the government absorb export costs which, in the main, caused most of the dairy producers' problems. Mr. Speaker, may I be allowed to add that among the dairy producers who were forced to give up dairying and who are having problems, there are a few Liberals for they are not all PQ members.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not have with me what the minister may have said, but I should be surprised if he did not point out that the federal government pours hundreds of millions of dollars in subsidies to the dairy producers. The only matter to be settled now is that of the order in which those subsidies should be paid. Surely, the hon. member knows that we cannot continue indefinitely to pay subsidies to every sector of the population. In the case of dairy producers, we have a policy based on quotas. It is imperative that all parties concerned, producers as well as the board, respect those quotas. If they are not respected, I ask that the government not consider itself responsible.

[*English*]

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a question of privilege. At the beginning of the sitting today I moved a motion under Standing Order 43, the purpose of which was to ask the unanimous consent of the House to continue to supply the right hon. member for Prince Albert with copies of the Canadian Bill of Rights, in accordance with the past history of the Canadian Bill of Rights which I think has been an important instrument in terms of our country and its legal system. Unfortunately, an hon. member said "no". I immediately checked the blues and, as Your Honour will recall, I accused the Minister of Justice—in a rather loud voice, I am afraid—of having said "no". I have found, and it has been confirmed by my colleagues, that I was wrong, and I wish to withdraw that imputation—

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): —and to express my regrets through you, sir, for having imputed that "no" to the minister. I have subsequently found, and it has been confirmed by my colleagues and admitted by the hon. member for Northumberland-Miramichi (Mr. Dionne), that it was he, in fact, who shouted "no", and I think that the record should be corrected.

• (1200)

Mr. Basford: Mr. Speaker, on the question of privilege, I appreciate the hon. member's gracious withdrawal and correction of the record. I can appreciate that he may have been confused. In fact, I indicated yes to his motion. I did so because in five minutes' time, in the course of a speech I will be making in the House, I will be paying a very handsome tribute to the Bill of Rights and the right hon. member for Prince Albert.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I did, indeed, say "no" to the hon. member's motion, for the simple reason that his motion asked for a special privilege for a single member of this House. If the hon. member wants some time to again ask the House to give the same privilege to all members, I will not say no.

Mr. Speaker: Order, please. It is easily seen that in its basic nature this is a point of order as opposed to a question of privilege. I am not even sure whether it is a valid point of order. The difficulty we get into in attempting to elaborate on considerations in the minds of hon. members with regard to the giving or withholding of unanimous consent pursuant to Standing Order 43, of course, gives us difficulty. It does not constitute a question of privilege. It might make a very interesting discussion which might go on for some time, but I feel that with our precedents and standing orders we ought to terminate the discussion of the matter on this basis, at least at this moment.

Mr. Coates: Mr. Speaker, I want to approach this question in a somewhat different way. I hope the House will bear with me for a moment or two. I am pleased that the Prime Minister is here.

An hon. Member: He is here every day.

Mr. Coates: It is very important for all members of this House to give serious thought to the specific problem facing us, in the hope that we can solve it in a non-partisan, non-political way.

Some hon. Members: Oh, oh!

Mr. Coates: If hon. members will bear with me for a moment, they may discover what I am trying to do. I am very concerned about my country, as are all members of this House. It is important that we try in a positive way to do all we can to keep Canada together.

The Bill of Rights is one of those instruments that guarantees to all Canadians a degree of freedom that did not exist

before 1960, when it was conceived, no matter what jurists and legal experts felt about it prior to that date. The Drybones case in the Supreme Court of Canada confirmed for all time that the Bill of Rights is a special protection for Canadians and we should have it enshrined as part of our constitution for all time. We are very fortunate that we still have in this House the father of the Bill of Rights, the right hon. member for Prince Albert.

Some hon. Members: Hear, hear!

Mr. Coates: At his age, the right hon. member does not have to look for votes in order to stay here. Therefore, whatever he does with the time he has left, whether it be signing a copy of the Bill of Rights for a school, court, individual or group of individuals, it is something very special. Rather than saying it is a special right for a special member, if the hon. member for Northumberland-Miramichi were to think about it for a little while, I believe he would see that it is a wonderful thing for people, groups and schools to have a copy of the Bill of Rights signed by the person who conceived it and brought it about.

Some hon. Members: Hear, hear!

Mr. Coates: At the same time, hon. members may wish to have some helpful information that is being produced by the management and members' services committee. Following the proposal of the hon. member for Fraser Valley West we are considering the production of Bill of Rights certificates in English and French, and flag proclamation certificates in English and French. They will be available to all members of this House at a very special rate—at cost. The committee is considering producing 25,000 copies of the Bill of Rights certificates in both English and French, a total of 50,000, and 25,000 flag proclamation certificates in both English and French. This will total 100,000 certificates. The certificates will be available in two sizes. The 9 by 11 size will cost 12 cents, and the 18 by 24 will cost 17 cents. This is a substantial reduction in the—

Mr. Speaker: Order, please. I recognize, as I am sure all members do, the best intentions of the hon. member for Cumberland-Colchester North who is serving in a very distinguished way as chairman of the important Standing Committee on Management and Members' Services. However, there are some confines to a point of order. There is other House business. I therefore invite the hon. member to complete his remarks.

Mr. Coates: May I just finish by saying that at our meeting next Wednesday we will pass a motion that will be turned over to Mr. Speaker. It will then be sent to the commissioners of internal economy. Rather than having a charge of something like $1.25 each, I hope there will be a reasonable charge for the certificates in question and that all members will take advantage of this opportunity.

Mr. Harquail: Mr. Speaker, I noticed in yesterday's *Hansard* that the hon. member for Moncton raised a point of order with regard to my remarks as reported in *Hansard* for Wednesday, February 9, at page 2896 referring to inscriptions on a plaque in the city hall in the city of Moncton. Let me state that the remarks which are attributed to me as reported on Wednesday, February 9, at page 2896 of *Hansard* are correctly attributed to me. I stand by those remarks. The statement which I made is correct and requires no change on my part. I therefore stand by this statement as recorded in *Hansard*.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Fourth report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Breau

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

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[*English*]

TEXTILE AND CLOTHING BOARD

TABLING OF REPORTS ON VARIOUS FABRICS

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2), I wish to table, in both official languages, two reports: first a report respecting nylon fabrics and filament polyester fabrics, from the Textile and Clothing Board and, second, a supplementary report respecting doubleknit fabrics, from the Textile and Clothing Board.

* * *

● (1210)

FOOD SAFETY INFORMATION ACT

DISSEMINATION OF SCIENTIFIC INFORMATION ON SUBSTANCES INTRODUCED IN FOOD SYSTEM

Mr. Lorne Nystrom (Yorkton-Melville) moved for leave to introduce Bill C-395, respecting the release of scientific information dealing with the content of any substance found in the food system.

Some hon. Members: Explain.

Mr. Nystrom: Mr. Speaker, the purpose of the bill is to make available to other levels of government, independent scientists, consumer groups or interested persons any scientific information gathered by the government of Canada in the course of the analysis of any new substance introduced in the food system intentionally or by accident, or any scientific

information existing in relation to a substance already introduced in the food system.

[*Translation*]

This legislation would protect the public by enabling them to secure any scientific data—confidential or not, old or new—concerning any substance incorporated into the food system, with a description of any contaminant or additive contained in that substance.

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

* * *

[*English*]

PROCEDURE AND ORGANIZATION

COMMITTEE STUDY OF STANDING ORDERS AND HOUSE PROCEDURE

On the order: Government notices of motions:

February 10, 1977—The President of the Privy Council:

That the Standing Committee on Procedure and Organization be authorized to consider the Standing Orders of the House and Procedure in both the House and its committees;

That the committee be authorized to include in its reports drafts of proposed permanent or temporary Standing Orders drawn to give effect, if concurred in by the House, to any permanent or temporary change or changes proposed by the committee; and

That the evidence adduced by the committee in its consideration of the aforementioned matters during the first session of the thirtieth parliament be referred to the committee.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this government notice of motion stands transferred to and ordered for consideration under government orders later this day.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the following questions will be answered today: 827, 828, 829, 1,176, 1,188, 1,316, 1,340, 1,386, 1,415, 1,460 and 1,557.

I ask, Mr. Speaker, that all the remaining questions be allowed to stand.

[*Text*]

ROUGH FISH—MAXIMUM THEORETICAL SUSTAINED YIELD

Question No. 827—**Mr. Yewchuk:**

What is the maximum theoretical sustained yield at which all rough fish might be fished from Canadian lakes now open to commercial fishing, if the economics of a fishery for these species were favourable?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): The management of rough fish as a resource is a provincial responsibility. Potential harvest of rough fish was obtained by summing up the individual estimates submitted by each province and the Northwest Territories. The data indicates the potential harvest exceeds 87 million pounds.

CISCO—MAXIMUM THEORETICAL SUSTAINED YIELD

Question No. 828—**Mr. Yewchuk:**

What is the maximum theoretical sustained yield at which cisco might be fished from Canadian lakes now open to commercial fishing?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): The management of cisco as a resource is a provincial responsibility. Potential harvest of cisco was obtained by summing up the individual estimates submitted by each province and the Northwest Territories. The data indicates the potential harvest at 11,500,000 pounds.

ROUGH FISH—TONNAGE CAUGHT

Question No. 829—**Mr. Yewchuk:**

What tonnage of rough fish was caught by commercial fishermen in (a) Alberta (b) Saskatchewan (c) Manitoba (d) the Northwest Territories in 1975 but spoiled for lack of a market?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): The following figures outline the approximate poundage of rough fish caught by commercial fishermen but not marketable due to low prices or marketability. (a) 300,000 lbs. (b) 1,600,000 lbs. (c) 5,500,000 lbs. (d) 400,000 lbs.

NOTE: This figure is to be considered as the estimated incidental catch presently harvested by fishermen in the western region. The total figure is dependent on variables such as mesh size and specific type of fishery. The poundage caught is not to be considered as the potential harvest.

PUBLIC SERVANTS DISMISSED OR DISCHARGED BECAUSE OF DISSATISFACTION WITH THEIR PERFORMANCE

Question No. 1,176—**Mr. Herbert:**

1. In each of the past ten years, how many public servants have been dismissed or discharged because of dissatisfaction with their performance?

2. What are the salary ranges of these persons?

Hon. John Roberts (Secretary of State): I am informed by the Public Service Commission as follows: 1. Separations of Employees under the Public Service Employment Act.

	1969	1970	1971	1972	1973	1974	1975	1976
Discharge for misconduct	57	64	53	78	141	95	71	112
Release for incompetence or incapacity	71	131	130	141	129	168	140	114
Rejection on probation	481	450	461	469	535	695	685	681
*Revocation of appointment				49	2	15	39	26

* NOTE: Comparative data not available for 1969, 1970 and 1971.

2. The information requested is not available from the records of the Public Service Commission. In view of the workload that would involve all the departments, the Government does not feel justified in undertaking a review of all individual files.

SHRIMP FISHERY—GULF OF ST. LAWRENCE

Question No. 1,188—**Mr. Marshall:**

1. Have any measures been taken by the Department of the Environment to limit the number of vessels permitted to fish shrimp in the Gulf of St. Lawrence and particularly in the Constituency of Humber-St. George's-St. Barbe and, if so, what are they?

2. What are the names and addresses of the members of the Shrimp Fishery Committee in the Province of Newfoundland?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. In June 1976 control measures including a freeze on the number of licences to be issued was implemented for the shrimp fishery in the Gulf of St. Lawrence. Following this, a Shrimp Fishing Advisory Committee made up of fishermen and others was established in Newfoundland to develop guidelines for the effective management of this fishery. The formation of a similar Committee for the Maritimes is now being proposed. The Newfoundland Shrimp Advisory Committee has held three meetings and under the guidelines developed it is expected that some fishermen all from the constituency of Humber-St. George's-St. Barbe will obtain shrimp fishing licences.

2. The names and addresses of the members of the Shrimp Fisheries Committee in the Province of Newfoundland are as follows: John Goodman, Port Saunders, Nfld.; Gene Gould, Port aux Choix, Nfld.; Dwight Spence, Port aux Choix, Nfld.; Chesley Genge, Anchor Point, Nfld.; Clyde Smith, Manager Fisheries Products Ltd., Port aux Choix, Nfld.; Lester Riche, Dept. Fisheries & Environment; E. Sandeman, Scientific Advisor, Biological Station, St. John's, Nfld.; Clar Fisher, Economic Advisor, St. John's, Nfld.

MINISTER WITHOUT PORTFOLIO

Question No. 1,316—**Mr. Beatty:**

1. With the exception of routine attendance at Cabinet meetings and meetings of subcommittees of Cabinet, what is a full and complete description of the special responsibilities given to the Minister without Portfolio by the Prime Minister as of December 10, 1976?

2. Since his appointment as Minister without Portfolio, has the Minister ever used government aircraft for travel and, if so, what were (a) the dates of the trips (b) the points of departure and arrival (c) the government business requiring the Minister's use of the aircraft?

3. What additional staff is the Minister without Portfolio entitled to, if any, as a result of his appointment to the Cabinet?

Right Hon. P. E. Trudeau (Prime Minister): 1. The Minister without Portfolio is a member of the Ministry. As such, he shares with his colleagues collective responsibility for all policies of the Government. This general responsibility of the Minister without Portfolio follows a long established tradition that enables a particular Government to benefit from the advice of one of its members without that member being required to undertake specific departmental responsibilities.

2. No.

3. All ministers are entitled to an exempt staff. The Minister without Portfolio has appointed two employees under Section 37(1) of the Public Service Employment Act.

POLICY WITH RESPECT TO CURTAILMENT OF LETTER CARRIER DELIVERY SERVICE

Question No. 1,340—**Mr. Howie:**

Has the Post Office Department a policy permitting no extension of letter carrier service and, if so, on what date did it commence?

Hon. J.-J. Blais (Postmaster General): Effective November 18, 1975, the Post Office Department, in line with Federal policy on restraint in spending, deferred until further notice extensions of letter carrier service into areas that are beyond existing route boundaries.

MERCURY IMPORTS

Question No. 1,386—**Mr. Leggatt:**

1. How much mercury has been imported into Canada for industrial organic processes over the past five years?

2. What controls exist to regulate the discharge of this mercury into the (a) air (b) water?

3. How much methyl-mercury has been used in Canada as a catalytic process over the past five years?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. Approximately 90,000 pounds of mercury have been imported into Canada over the past five years for industrial organic processes.

2. We do not anticipate that the uses under which mercury is being utilized in the organic chemical industry are causing a significant pollution problem. These uses however, are presently under review through the Environmental Contaminants Act. The general provisions of the Fisheries Act could be utilized anytime a problem with mercury discharges from an industry is found.

3. We are not aware of any use in Canada over the past five years of methyl-mercury catalysts in the organic chemical processing industry.

POST OFFICES IN WELLINGTON-GREY-DUFFERIN-WATERLOO CONSTITUENCY

Question No. 1,415—**Mr. Beatty:**

In what location is each post office in the Constituency of Wellington-Grey-Dufferin-Waterloo and what is its classification and group or grade?

Hon. J.-J. Blais (Postmaster General):

Location	Classification	Group	Grade
Alma	Revenue	5	
Arthur	Semi-Staff		5
Ayton	Semi-Staff		2
Belwood	Revenue		5
Clifford	Semi-Staff		4
Conestogo	Revenue	4	
Conn	Revenue	3	
Drayton	Semi-Staff		4
Dundalk	Semi-Staff		5
Durham	Semi-Staff		6
Elmira	Staff		7
Elora	Semi-Staff		5
Fergus	Staff		7
Flesherton	Semi-Staff		5
Floradale	Revenue	2	
Grand Valley	Semi-Staff		5
Harriston	Semi-Staff		5
Hawkesville	Revenue	3	
Heidelberg	Revenue	3	
Holstein	Revenue	4	
Hornings Mills	Revenue	1	
Kenilworth	Revenue	4	
Laurel	Revenue	2	
Linwood	Revenue	4	
Markdale	Semi-Staff		5
Moorefield	Revenue	6	
Mount Forest	Semi-Staff		6
Neustadt	Semi-Staff		1
Orton	Revenue	3	
Palmerston	Semi-Staff		5
Priceville	Revenue	3	
Proton Station	Revenue	5	
St. Clements	Semi-Staff		2
St. Jacobs	Semi-Staff		4
Shelburne	Semi-Staff		6
Singhampton	Revenue	6	
Wallenstein	Revenue	5	
Wellesley	Semi-Staff		5
West Montrose	Revenue	3	

DVA POSITIONS DESIGNATED BILINGUAL

Question No. 1,460—**Mr. Herbert:**

How many positions in the (a) Canadian Pension Commission (b) Pension Review Board (c) War Veterans Allowance Board (d) Bureau of Pension Advocates (e) veterans services, treatment services and administration services of the Department of Veterans Affairs are designated bilingual?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): (a) 128; (b) 11; (c) 29; (d) 26; (e) 1,175.

DVA EMPLOYEES—AGE BRACKET

Question No. 1,557—**Mr. Marshall:**

Of the 841 on staff in the Department of Veterans Affairs, how many are between (a) 20 and 30 (b) 31 and 40 (c) 41 and 50 (d) 51 and 60 (e) 61 and 65 years of age?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Eight hundred forty-one was the head office staff strength as of March 31, 1976. (a) 257; (b) 120; (c) 116; (d) 253; (e) 65. Thirty were under 20 or over 65.

GOVERNMENT ORDERS

CANADIAN HUMAN RIGHTS ACT

MEASURE TO PROTECT PRIVACY OF INDIVIDUALS

Hon. Ron Basford (Minister of Justice) moved that Bill C-25, to extend the present laws in Canada that proscribe discrimination and that protect the privacy of individuals, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, it is with a great deal of satisfaction that I see today the end of a period of frustration for me and other supporters of this bill as we open the debate on second reading of the Canadian Human Rights Act, Bill C-25. It is timely that we discuss this bill at this time and that we pass it as expeditiously as parliamentary procedures will allow. Throughout the country there has been considerable discussion of human rights matters. In this chamber the discussion has raised the broad issue of the rights of a citizen to have access to the personal information about himself or herself that is held by government departments or agencies.

Elsewhere, away from this House, there has also been voiced deep and urgent concern in various parts of the country about the extent of racism and other illegitimate forms of discrimination being practised in our country, and we see in the news media from time to time reports of nasty racial incidents which have occurred to an extent where one provincial government has found it necessary to appoint a royal commission on certain aspects of the problem. It is, therefore, a matter of some satisfaction for me to be able to rise and state that there is now a bill before parliament which addresses both these and other issues connected with human rights within federal jurisdiction and addresses them in a comprehensive legislative way.

I suspect there are many people in the country who imagine that there is no discrimination in Canada and no need to act. Sadly, however—I know members on all sides will agree with me—it is a fact that there are some among us who are prepared to subvert our basic values by denying the basic rights of others. Their activities are deplorable. But it is not enough for us in parliament to deplore. We must also act, and act so as to ensure that the confidence of minorities in the protection afforded by the law is honoured and upheld.

Of course, no single piece of legislation can automatically, at the stroke of a pen, wipe out racism and discrimination overnight or change deepseated social attitudes, prejudices or hatreds. But without this bill at the federal level, victims of racist activities or of discrimination can point to the absence of a federal law and ask: Where is this country's, or this parliament's commitment to uphold tolerance, and where is this country's, or this parliament's legal protection that we need?

The purpose behind this bill is clear. It provides protection by giving effect to the following principles explicitly set out in clause 2 which reads:

Every individual should have an equal opportunity with other individuals to make for himself or herself the life that he or she is able and wishes to have, consistent with his or her duties and obligations as a member of society, without being hindered in or prevented from doing so by discriminatory practices—

Then, as well:

(b) the privacy of individuals should be protected to the greatest extent consistent with public order and well-being.

These are principles which rest upon the inherent dignity and the equal and inalienable rights of all members of the human family. These are principles as fundamental as freedom itself. The freedoms for which liberal western societies strive are set out in well known landmark documents: the English Bill of Rights of 1689, the French Declaration of the Rights of Man and Citizen, the American Bill of Rights, and the Universal Declaration of the Rights of Man. Each of those statements was the result of historic struggles to defend dignity and freedom. Each of those statements sets forth the principles and standards by which all free societies stand ready to be judged. Those standards include equal entitlement to all rights and freedoms including equal opportunity for self-realization and the enjoyment of life. It may surprise hon. members to learn that at present there is no over-all protection of these freedoms at the federal level. There are no comprehensive guarantees against infringement within federal jurisdiction by corporations, citizens or government of many basic egalitarian rights Canadians should enjoy.

The Canadian Bill of Rights of 1960 provides principles for courts and officials to follow in interpreting federal laws. I pay tribute to a former prime minister, the right hon. member for Prince Albert (Mr. Diefenbaker) who passed the Canadian Bill of Rights which is now being given increasing force and effect by our courts. However, that law does not set standards for behaviour or impose any sanctions. Right now, a Pakistani who was refused service in a dining car on the CNR because the waiter disliked his looks would probably have no legal avenue of redress.

● (1220)

There is partial protection at the present time against discrimination in employment in that part of the private sector which is under federal jurisdiction. Part I of the Canada Labour Code, which deals with fair employment practices, applies to employment by organizations such as banks, railways and others under the jurisdiction of parliament. I pay tribute to the valuable work which successive ministers of labour and officials of the Department of Labour have done under the existing provisions of the Canada Labour Code.

However, that code does not include employment by the Crown in right of Canada. It does not cover these public servants in any way. Nor does it cover discrimination by age, sex, marital status or physical handicap. There is some protection against discrimination in government employment. As yet, however, there is no act of parliament which provides over-all, comprehensive prohibition of discriminatory conduct by officials and private individuals within the federal domain. These are significant lapses in the legal protection to which Canadians are entitled and which they deserve. These are significant gaps in the legal protection offered, for example, to the many women of Canada whose careers are seriously limited by sexism on the job, or to members of many minority groups for whom the relentless pressure of discrimination is too often a reality. In a free society like ours, in a multicultural and open society like ours, in a country made up of two founding peoples but which has also been built and peopled by those who have come from all over the world, and of all races and colours, to build their lives and their families, it is essential that we put into law and into practice within the federal jurisdiction a clear commitment to equality of opportunity and to protection from discrimination. The Canadian human rights bill is designed to provide that clear commitment and to provide, at long last, the comprehensive body of law now lacking at the federal level, a body of law to which all Canadians will be able to resort.

The anti-discrimination provisions of the bill declare the following to be prohibited grounds of discrimination: race, national or ethnic origin, colour, religion, age, sex, marital status, a conviction for which a pardon has been granted, and physical handicap for employment, where the handicap does not affect job performance. In choosing these grounds we have concentrated on major issues which have already been the subject of human rights legislation in Canada and the United States, on which a substantial body of law has emerged and upon which the proposed human rights commission can build. These prohibitions against discriminatory conduct will apply to all federal departments and agencies and any business or industry under federal jurisdiction.

As a further protection again racism, the bill contains a measure proscribing the dissemination of hate over the telephone. I think those of us who were here in parliament at the time, felt that we had dealt with this issue in the amendments to the Criminal Code which were passed relating to hate, but new practices have emerged. Under this bill the sending of repeated hate messages over federally-regulated telephones would be prohibited. The measure is more rigorous than section 281.2 of the Criminal Code, but it avoids—or I have endeavoured to draft it in such a way as to avoid—interference with legitimate expression of opinion.

These measures dealing with telephone hate messages are designed to provide an effective supplement to the provisions of the Criminal Code to combat the calculating traffickers in hate whose foul activities subvert the confidence of racial minorities in the protection that they are entitled to feel under the law. I might say in passing that the introduction of this bill seems to have attracted the attention of those hatemongers who use the telephone in this way, in that they have at least been diverted from the dirt they have disseminated about black people or people of the Jewish faith and have now instead directed their messages of hate to Roy McMurtry and myself—so at least we have provided protection for two minorities.

The bill also contains measures to combat sexism and sex role stereotyping at the workplace. About 30 recommendations of the Royal Commission on the Status of Women would be wholly or partially implemented or made easier to implement by the passage of this bill. Upon passage this will bring the number of status of women commission recommendations implemented, partially implemented or whose implementation has been facilitated to 103 of the 122 recommendations directed to the federal government in the commission's 1970 report.

Besides including grounds for discrimination such as sex and marital status which are not covered by the Canada Labour Code, the bill also requires that equal pay be given for work of equal value. This is the first time the language "work of equal value" has been used in Canadian law to express equal pay requirements. The Canada Labour Code, the earlier version of this bill and provincial statutes in this regard required only that equal pay be given for similar work. There was no consideration of value. In the course of the preparation of this bill and the consideration of the earlier one, I consulted with and listened to various women's rights organizations who are involved in this matter and who contend that under the previous formulation women employees could be hived off into low-paid "job ghettos" where they would never have a chance to do work similar to that of men. In these job ghettos women can be paid less even though the jobs are of equal value.

Let us consider, for example, a hypothetical trucking firm engaged in interprovincial or international activities. Perhaps all the women employees are office workers, while the male employees are dispatchers. Since these are similar jobs, equal pay would not be required under the old formulation. Under this bill, it will be possible to compare the effort, the skill, the responsibility and the conditions of work in the two jobs and to determine if they are of equal value. It is for this reason that the women's rights organizations wanted the equal value concept embodied in the law. That is why the International Labour Organization included this concept in its convention which Canada ratified in 1972. That is why I have included it for the first time in Canadian law through this bill.

Some hon. Members: Hear, hear!

Mr. Basford: In connection with this new formula, I want to pay tribute to those in the advisory committee on the status of women, and the various organizations concerned about women's rights, for their work and their advice to me on this subject, and I want to pay particular tribute to my colleague, the Minister of National Revenue (Miss Begin) who was a member of the Royal Commission on the Status of Women and whose advice has been very helpful.

Some hon. Members: Hear, hear!

Mr. Basford: I would like to pay tribute also to the hon. member for Trinity (Miss Nicholson) who has spoken on the subject with great knowledge, interest and conviction in this House since her election.

Some hon. Members: Hear, hear!

Mr. Basford: I am sure that before this bill is passed we will be told by some that this concept of equal value will place an intolerable burden upon employers. I do not accept that and I would like to make it very clear right now, beyond any possibility of misunderstanding, that as a parliament we would be wrong to accept that the economy of this country can survive only on the basis of unequal pay for women doing work equal in value to that being done by men. Enforcement of these and other provisions will be carried out under the proposed legislation by a human rights commission. The commission will have wide powers, including the power to establish tribunals able to impose severe financial penalties.

● (1230)

Besides initiating and seeing to the investigation of complaints, the commission would be able to issue guidelines interpreting the application of the act. The commission as it gains experience will, I hope, under the provisions of the legislation consider and recommend to parliament that the prohibited grounds of discrimination be broadened or added to as circumstances warrant. As benefits a body one of whose tasks will be to sit in judgment on government conduct, the human rights commission because, for example, of all the provisions that relate to the federal public sector as well as the private public sector, would unlike those in some other jurisdictions, will be independent of government and responsible only to parliament.

In preparing the bill, I have noted the comments of people like Mr. Borovoy of the Canadian Civil Liberties Association who generally have supported the bill but who have made the valid comment that the real test of this legislation and of our commitment to act against discriminatory practices is whether the commission will have the personnel and the budget to carry out its mandate effectively. When the bill reaches committee we are going to examine the question of resources and a proposed budget. It has been planned, in conjunction with Treasury Board, to give the commission the personnel and resources to carry out its mandate. I agree with those who say that the question of resources is crucial to the real effectiveness of the commission and I am satisfied that what we will be proposing will meet with approval.

Turning to a different aspect of the bill, that is, part IV, Mr. Speaker, I noted in my introductory remarks that apart from the question of discrimination, the question of individual access to government records is not a uniquely Canadian issue. It is a problem faced by most highly developed societies. My officials and I have carefully studied the experience of these countries. We believe the provisions in the human rights bill provide the widest possible access and the firmest safeguards consistent with our parliamentary system and the interest of the public as a whole. I believe that the provisions of this bill, taken as a whole, will give Canadians more effective protection against administrative misuse of personal information in government files than that now enjoyed by citizens of the United States.

The United States privacy act and part IV of Bill C-25 have the same basic objectives. Both acts have basically the same approach to providing access through the creation of a federal index of personal information banks. Both acts provide for an individual to see his file and to propose changes if the individual feels that errors exist. Both acts provide for administration procedures to warn users of the file that the subject of the record objects to particular information in the record if an institution refuses to make corrections.

There are, however, certain differences which lead me to believe that the protection afforded under this bill of the rights to Canadians with respect to abuse of their personal information in government banks is effectively greater than the rights of Americans. Under the United States act, the non-elected head of any agency can decide whether an information bank is exempt from access. Under Bill C-25, it is not a bureaucrat but an elected minister who, in the case of a whole information bank, must first obtain the approval of the governor in council before any exemptions from access can be granted. Moreover, under the United States act there are certain blanket exemptions. An entire information bank can be exempted just because it belongs to the Central Intelligence Agency. In Canada, access to the data banks of the most sensitive agencies is not automatically excluded.

As a further safeguard against administrative or other abuse of personal information in government files, the bill requires that a member of the human rights commission be appointed privacy commissioner, with the power to review at public expense any complaint by any individual that he or she is being denied rights under this part of the act. Like the Auditor General or the Official Languages Commissioner, the privacy commissioner would be independent of the government and would report at least annually to parliament, and could include—and under the act is empowered to include—in his report accounts of individual cases where an error or injustice is not rectified. This approach is consistent with our parliamentary system of responsible government. It rests the ultimate responsibility for decisions concerning access to personal information upon the minister responsible to parliament. Establishing the office of privacy commissioner will make the government more accountable to parliament and, through parliament, to all Canadians.

I indicated at the beginning of my remarks, Mr. Speaker, that I share the frustration of those who are disappointed at this point that the bill has not yet been passed into law. We are now on second reading and I hope we will make good progress. There are members of this House who have deep knowledge of the matters raised in the bill and who will want to make a contribution to debate and to the committee proceedings. There are other groups in the community involved with this issue who I know, from correspondence and discussions with them, will want to make suggestions to the parliamentary committee for changes in the law. All of that is welcome and I hope we will be able to agree in a non-partisan way that this bill be passed by this House and the other place and made the law of the land by June 30 this year. I hope that those who want to come to parliament and make suggestions about the bill will make them in a constructive, non-partisan way in order to help us reach that objective of enactment by June 30.

Nearly 30 years ago Canada and the other members of the United Nations approved the Universal Declaration of the Rights of man. About 17 years ago we passed the Canadian Bill of Rights. In the meantime, Canada has acceded to two further international instruments on the subject of human rights: the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights. It is time we met the urgent need for a domestic charter against discrimination recognized by all as a commitment to building a nation in which denial of equal rights and opportunities is totally unacceptable.

Some hon. Members: Hear, hear!

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, first may I thank the minister for the shortness of his speech. I am not sure whether I can be as brief. I have the problem, at twenty minutes to one, that unless I can finish in twenty minutes my train of thought might be interrupted. I do not think the minister need worry too much about his June 30 target. From the point of view of my party, I can tell the minister that we welcome the bill and will be anxious to see it progress as rapidly as possible, given the fact—as the minister himself said—that it is important that not only ministers but others speak to this bill at this stage. I do not see that there will be any disposition to hold it up, although there will be a disposition in committee to suggest and recommend, in the non-partisan way the minister asked for, some amendments that may improve the law. That is an undertaking which I gladly give on behalf of the party of which I am proud to be a part.

For many years I have been carrying around a little quotation. I think it puts the matter in perspective. The quotation is from a Russian émigré to Paris, a philosopher and theologian called Berdyaev. He said that the law may compel men to be just, but it cannot compel them to be brothers. Pity, mercy, love—these are works of grace in freedom and not works of a compelling law. I think the minister agrees with that sentiment. It is not enough, as the minister admits by introducing this bill, to have before us such injunctions from splendid philosophers. There is a duty on us, as legislators, to put in place a code or frame of reference which would allow those elements which philosophers want to be part of our citizenship to come into play.

● (1240)

I was not in this House when the right hon. member for Prince Albert (Mr. Diefenbaker) introduced the Bill of Rights. The common law lawyers of this country universally condemned that concept—and I am not being partisan; I am trying to put this question in its historical perspective. The common law lawyers said that the bill was an unnecessary frill in our jurisprudence. I remember my own misgivings, I having been brought up in that tradition which was concerned about

these things being set down in statute form. Yet, as the minister says, not all in this country are of the common law tradition. We are of many traditions, and it is important to have the human rights commission in place and to have the Bill of Rights. I hope to serve here long enough to see us enshrine the Bill of Rights as an inviolate part of our constitutional arrangements when we patriate the constitution.

Some hon. Members: Hear, hear!

Mr. Fairweather: The minister may remember that the common law lawyers objected to the Bill of Rights. There was some debate about it. I will not comment on how the Bill of Rights has been used over the years. I happen to think it has been a useful code for those who otherwise might have strayed, and my remarks apply to those acting within the jurisdiction of the government of Canada.

I also happen to think that we have very few commonly shared heritages. Obviously, a Bill of Rights of some 17 years standing and a flag adopted in 1965, I think, are not yet enshrined in the minds of all Canadians as part of their shared heritage; but they will be, I am sure. Similarly, I hope that the proposed human rights commission, the establishment of which, after all, follows that of the ten human rights commissions now in place in the provinces, will give Canadians the feeling that in this land they can move about and participate without fear of discrimination.

It is curious that within five days of ten years ago, on February 16, 1967, the government established the Royal Commission on the Status of Women. Three and a half years later, on September 28, 1970, the commission tabled its report and recommendations, including the establishment of a human rights commission. In July, 1975, the then minister of justice introduced Bill C-72. In November, 1976, the present bill was introduced. Perhaps it will interest those who read the reports of our debates to know that I was fascinated, as a member of parliament, to watch the by-play—that may not be an accurate description—to watch the nervousness among members of the public service with regard to the privacy part of the bill.

I was privy to one or two secrets, if I may say so. You cannot live in this community without at some time rubbing shoulders with some of the first-rate public servants who serve our country. I know that the privacy provisions of the bill underwent at least 15 drafts. I do not think there were any cardiac arrests during that period, but there were some pretty nervous people in the public service who thought that at last the government was going to bell the sacred cow of secrecy. That will not come about; it is not part of the bill. I think the Canadian Bar Association told the minister what has to be done in the area of secrecy. Nevertheless, it is amusing and somewhat worrying to note that many who serve the country in the public service are worried about information being freely available.

As I have said, the present bill was introduced in November, 1976. It has two main purposes. The intention is, first, to prohibit discrimination on certain grounds within federal jurisdiction; second, to establish certain measures to protect the privacy of individuals. I hope hon. member will not mind if I quote a paragraph or two from the 1970 recommendations of the Royal Commission on the Status of Women. At page 65 of the report the commission recommended:

—that (a) federal . . . human rights commission be set up that would

(a) be directly responsible to parliament—

The minister proposes to do this. I continue quoting:

(b) have power to investigate the administration of human rights legislation as well as the power to enforce the law by laying charges and prosecuting offenders;

(c) include within the organization for a period of seven to ten years, a division dealing specifically with the protection of women's rights; and

(d) suggest changes in human rights legislation and promote widespread respect for human rights.

Presumably, once the commission has been set up that last recommendation will be included in its ongoing obligations. I listened carefully to what the minister said. He suggested that the Advisory Council on the Status of Women during the years since 1970 has been commenting, urging and recommending. I think this is the appropriate time to compliment it on its restlessness about this legislation. The council has been positive in its views. As far as I can tell, it has been quite non-discriminating—if I can use that word—about its requests. It has been free to come and give recommendations to opposition party spokesmen, and so on. I agree with the minister that although the bill in its present form may not meet all the council's urgings, at least the legislation has been launched. In 1975 the Advisory Council on the Status of Women made a statement which recognized:

—the crucial need for federal involvement in the human rights area, not only from the point of view of the status of women but in the context of the increased racial and other tensions manifest in our society—

It recommended the immediate tabling of the human rights legislation, and here we are at last. I am sorry to note that one part of the advisory council's statement is brutally, demeaningly true, sorry that there is indeed an increase in racial and other tensions manifest in our country. We will not serve our constituents or our country if we fail to recognize this fact. It is not only confined to one or two of the great metropolitan areas. I think of the evil jokes spread across the country. Perhaps somebody has done a study.

● (1250)

It seems to me that if you could trace the racial joke or the ethnic joke, it would follow the waves of the settlement of this country. In other words, historians could pick out the jokes which were told about one minority 100 years ago and find them recurring as the waves of immigration took place. To put it in another way, the Newfoundlander today is all too often the recipient of the same type of demeaning comment as the Polish Canadian would have been 50 years ago, and presumably the Irish Canadian 100 years ago. Perhaps somebody has done a study on those lines. I am not a behavioural scientist, but I know that this form of humour is still very demeaning to the part of our society which is the butt of these jokes.

The minister was right when he spoke of the use of the telephone. It is curious that these bullying cowards do these things using our technology. They paint out the signs at night.

Nobody would paint out a bilingual sign in the daytime. Few people would dare to perpetrate the type of language they use on the telephone if they had to do it face to face. But unsigned letters come to all of us and, of course, the telephone is used for the same type of thing. Unhappily, there are some who, because of the length of time during which they have been in the country or the disability from which they might suffer or, if I can put it this way without being arrogant, from a lack of serenity or assurance with regard to their acceptance in society, are put off by this type of thing. It is unfortunate, in my view, but legislation is the only solution if it is to be stopped.

I was curious to find a reference to a friend of the hon. member for Eglinton (Mr. Sharp). I am sure the hon. member for Eglinton knows the works of Thomas Carlyle. Carlyle said we have no duty of tolerance to the intolerant. At one stage of my life I would have been overcome by a statement like that, but I do not think Carlyle was right. It was very nice in the leather-bound books of the day, but we cannot be satisfied with that type of aphorism. We have to be intolerant and that is why in the ultimate resort the technology of the telephone hate campaign has to be interrupted by a statute. It will not end it, but it will be evidence in the statute books of the country.

Really, what the government is attempting in the human rights legislation might be likened to lighting a candle toward respect for each and every human being. I suggest that the cultivation of such respect requires more than law. It requires a fundamental commitment to the worth of human kind. I do not mean to preach, but it occurs to me that to respect, you have to work at it. It is often not easy for those of us who are democrats to respect everybody at all times. It requires a fundamental commitment on our part. I am not sure, but I suspect that respect for one's brother is not innate in our psyche; it has to be nurtured and worked on. Surely the minister and others who will be participating in this debate and who are committed to human rights would agree that a wound to my brother wounds me, and that the outrage in the subway, whether it is to somebody in Toronto, Vancouver or Fundy-Royal—because none of us is immune—is wounding ourselves.

I have been fascinated by the phenomenon in the United States of the television program "Roots" which was seen by more Americans than any other program since the invention of that technology. There was an example of a group of American citizens for whom a large part of their history was unknown. The fact that the program took a family through from its origins in West Africa until the present day must have been compelling for both black and white Americans.

Lastly, on this point, because it is about one o'clock, I might say that the small "1" liberal "schtick" of inviting a black to break bread with you might not work out the way you expect it to. He may not share one's own aspirations with regard to material things, for instance. Jules Feiffer pointed this out in a powerful cartoon. The answer is, if you ask one black to lunch, ask two in case it doesn't work out.

May I call it one o'clock?

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Fairweather: Mr. Speaker, I did complain about having my speech interrupted by the lunch hour, but I find now I have to withdraw a couple of things. One is my complaint about that. Then to my horror I find I was much too tough on Thomas Carlyle. In any race for immortality between myself and Thomas Carlyle, Carlyle would obviously win, and he has done so again. What I was trying to say was that we could not be tolerant of intolerance. I have had discussions with certain people who find that even with the most liberal editing they could not make head nor tail of my attempt to savage poor Carlyle, so the only thing to do is what the lawyers call confession and avoidance. I make it clear that the hon. member for Eglinton is not a contemporary of Thomas Carlyle.

In getting some thoughts together for this speech today, I came across another curious paradox. It has to do with Eldridge Cleaver who ten years ago was sought in the capitals of America and the world as being an outrageous radical, as undoubtedly I think he was. Among other things, Eldridge Cleaver went to Cuba and found his radicalism tested there because the generals in Cuba are white and the foot soldiers black; at least, that is what he said. So a lot of things happened even in American society to tell people that discrimination has no boundaries in the world, and no matter what the ideology, discrimination and racism can creep in. To Cleaver's credit, in this regard in any event, he saw the error of earlier days.

Another paradox I want to cite is a peculiarly Canadian phenomenon. I refer to people who sing brotherhood songs at service clubs on Monday and then busily go to private clubs which discriminate on the basis of colour, creed, and so on, on Tuesday. This is in no way an indictment of the service clubs, because I think they have contributed immeasurably to Canada. But in 1977 there is, surely, no place for any club, private or otherwise, the membership of which is affected by racial origin, colour or what have you. I must say that there is a high degree of hypocrisy in this aspect of our contemporary life. I assume that discrimination and prejudice have their origins in fear and threat, a threat to what people think of as their own little piece of earth, because there can be no other basis on which such cruelty is founded. I should like to end the philosophical part of these few remarks with the thought that one definition of "man" surely is that he is a hoping creature. Once man gives up hope, he gives up everything. Hope is an essential condition of our very humanity.

I should like to compliment the minister and others who have had a part to play in this bill. The bill is an expression, in legislative form, of the hope that we have that practices that are outlawed will end some day in Canada. The greatest hope

we could have, of course, is that the commissioners themselves could, in that utopian day, work themselves out of a job. I do not believe that would ever happen, but it would be the ultimate of man's feelings about man.

As I said earlier, there are human rights commissions now in place in all ten of the provinces. This bill will apply to the federal jurisdiction and also to the Yukon and Northwest Territories. The minister was quick to confess that it will not in itself end discrimination. There is a fascinating book on the whole subject of discrimination and prejudice written by an expert, Gordon W. Allport, entitled "The Nature of Prejudice". He writes:

> Legislation, if enforced, may be a sharp tool in the battle against discrimination. Legal action, however, has only an indirect bearing on the reduction of personal prejudice. It cannot coerce thoughts or instill subjective tolerance. Law is meant to control the outward expression of intolerance. But outward expression, psychology knows, has an eventual effect on inner habits of thought and feeling. For this reason legislative action can be listed as one of the major methods of reducing, not only public discrimination, but private prejudice as well.

● (1410)

In a way, that is what I was trying to say this morning about the Bill of Rights, that its eventual effect on people will be that they know that they and others have rights, and the eventual effect on people in the human rights field will be the same.

There are, of course, some criticisms. Because the House has been rather generous to me about time, I will not go through all of them. I will save that part for the committee stage. Here I want to say how helpful the Canadian Association of University Teachers have been. They think that political views, family relationships and sexual orientation should be included as grounds. They are also concerned about physical handicaps, the restrictive way in which the legislation is now drafted. They feel that the matters related to employment, that is the phrase in the statute, appear to exclude the physically handicapped from the protection of clauses 5 and 6.

There was another very interesting comment. I heard it spontaneously. I think another member will be raising it later, so I just note it in passing. Most of the comments about age are with regard to pension and retirement. Actually, age is a prohibited ground of discrimination. Clause 7 states that employment cannot be denied on the ground of age, but clause 14 refers to normal age of retirement. Therefore, it would not be illegal to fire an employee because he has reached retirement age. In committee we will have to consider whether the bill condones systematic discrimination in the form of compulsory retirement, or possibly even a statement from the minister at the committee stage will suffice.

Others have commented, including the Advisory Council on the Status of Women, that there is not sufficient protection in this bill for the handicapped in matters other than employment. The minister spent a good deal of time on the new phraseology "work of equal value". I was particularly interested in what he had to say. We have to confess that many employers have taken advantage of this sort of grouping throughout the years. Presumably the hon. member for Trinity (Miss Nicholson), who will be speaking, will address herself to this matter. We have had some very interesting conversations with people who have reflected on this aspect, including the Ontario ministry of labour which put out a pamphlet in October of last year entitled "Equal Pay for Work of Equal Value". They discuss some of the dilemmas. Again, I am not going to read into the record that long discussion. However, the House should be reminded of some of the difficulties.

To the extent that formal processes for comparison of jobs would be required by government, rather than merely encouraged or assisted, equal pay for work of equal value would carry with it a presumption of increased intervention by government in the collective bargaining and wage determination process. The question arises whether this is desirable or acceptable. Reactions to the federal government's heightened role in this area since the anti-inflation controls took effect in October, 1975, suggests that no consensus presently exists on the question. Despite the minister's comment about it, I hope that perhaps from this debate and what other people will say some of the dilemmas can be laid to rest.

Countries such as Belgium, Luxembourg, Ireland, West Germany, Denmark, France, the United Kingdom, Italy and The Netherlands have also attempted to deal with the removal of sex discriminatory pay situations and have generally accepted the principle that pay rates be established using a single set of criteria for both sexes. However, there seems to be quite widespread recognition that progress toward equal pay for work of equal value has been slow. Just because I make this gloomy comment— it is actually a gloomy comment from the Ontario government's paper—does not mean that my party or anyone else who has thought about this matter does not support what the minister is trying to say. Perhaps I had better withdraw those comments. I would expect that a large part of the work of the new commission will be trying to make this part of the law applied fairly.

There are one or two further comments I would like to make. In clause 12 there is another definition of a discriminatory practice. The Advisory Council on the Status of Women feels that this clause is far too limited because it applies only to published notices and signs. The advisory council feels that advertising in other media should not be overlooked. The clause does not seem to attack the problem of, for example, stereotypes that are rampant in the advertising world about women.

Others in my party, particularly the hon. member for Peace River (Mr. Baldwin), will be dealing carefully and thoroughly with what I might call the second part of the bill dealing with privacy. I think it is fair to make this comment, and I do it without any particular partisan feeling. Had this bill been part of the law of Canada, the type of activity that we witnessed in the last couple of weeks, the so-called blacklist, would in itself have been an infraction. If not, then this law is not very effective.

Mr. Baker (Grenville-Carleton): It is an infraction of natural justice.

Mr. Fairweather: My colleague says it is an infraction of natural justice. Natural justice is one thing. I want it to be an infraction of statutory legislation. If it is not, the bill does not do what many of us had hoped for. I have given a lot of thought to the list, as have many members. I presume that this is a place where we can offer gratuitous advice and not be considered self-righteous. Anyway, we will try it out on hon. members. The problem of the list was that it was not stopped where it started. It was elevated into an evil thing because it was not stopped by the minister whose desk it came across. It was given credence because it was trotted around into various other offices.

● (1420)

I must say that had the solicitor general of the day been fulfilling the responsibility I would have expected of him, he would have destroyed the list. I am one of those outrageous people who welcomes the funding of some of the groups the government has been funding. The government was hoist with its own—

Mr. Baker (Grenville-Carleton): Petard.

Mr. Fairweather: Well, I wanted something better than "petard". I am hoist with my own cliché, really. However, the government seems to be nervous about risks. It takes risks once in a while by funding organizations and then seems surprised that some of the people who attend conferences say things the government does not particularly like to hear. This becomes elevated into some sort of a documental state warning the ministry that so-and-so may eventually bring about the downfall of western democracy. I have never been as nervous about western democracy or about the Canadian government as this government seems to be, and I hope that in future this type of thing can be stopped where it should be, in the hands of the minister—I suspect that it will be, and I mean this as a compliment to the new minister—or else that public servants will have a right to deal with it under the legislation.

The House has been very indulgent. When I started I said to the minister that this party understands the timetable. It has been ten years almost to the day since the royal commission was established. The bill has been drifting around Ottawa for some time in one form or another, and although other people will want to make their contributions the bill will be supported by this party at second reading. However, we will be expecting, particularly on the privacy part of the bill, substantial amendments at the committee stage. But neither the minister nor the government need have any doubt about the feelings of the Progressive Conservative party about the need for Canada to fall in line with the provinces with regard to having human rights legislation.

One last thing: the fact is often overlooked that sometimes we can do things in this country rather well. One place where some things are done very well is the province of Ontario, where the human rights commission and the operation of the act are among the best in North America. I hope nobody runs for cover or gets out a red covered partisan manual refuting that. In other parts of the world Ontario is looked upon as a bellwether in the human rights field. I hope that this government, being the national government, can supplant in excellence what Ontario has been able to do.

Just a few moments ago I had a discussion with the hon. member for Winnipeg North (Mr. Orlikow). He may be wanting to speak, but he said something very wise and it provides me with a neat ending. He said he hoped that most of the work—and I am paraphrasing him—of the commission will be in conciliation and not in prosecution. I believe very deeply that the fewer prosecutions and the more conciliation, the better it will be for the human rights commission, because that will mean that slowly there shall be public acceptance for the concept.

Mr. Brewin: I wanted to use that in my speech.

Mr. Fairweather: I hear the hon. member for Greenwood (Mr. Brewin) saying that I am using his speech, too. I am sorry. Perhaps the two hon. members met, and perhaps it is time I sat down. However, I want to say, with no reservation, that the concept of human rights, so long being born, is enthusiastically supported, generally speaking, by the Progressive Conservative party.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I would like to assure the hon. member for Fundy-Royal (Mr. Fairweather) that I was not complaining about his quoting something said to him by the hon. member for Winnipeg North (Mr. Orlikow). What I did say to the hon. member for Winnipeg North was that I had also intended to quote his remarks, so perhaps I will do so later in my speech. I certainly have no objection to the hon. member for Fundy-Royal doing so.

I can set the mind of the minister at rest very quickly on one score, and that is that this party will support this bill at second reading. We have no desire whatever to hold it up. If we were going to comment in terms of time, we would be likely to comment that we should have seen the bill sooner. However, we are certainly not going to be in any sense responsible for its not passing quickly. There are matters which have to be examined thoroughly. This is a very important bill and we propose to do our duty, but we think that can be done without taking a great deal of time in this case. Those parts of the present bill which proscribe discrimination have been supported by this party for a long time and we will continue to support that principle by voting in support of the bill at second reading.

Those kind remarks in no way refer to part IV of the bill which is entitled "protection of personal information". We regard that part of the bill as being a farce and we think that the Canadian Bar Association rightly described it as totally inadequate. I shall deal further with that matter later. There are some matters which will have to be discussed in committee, of course, but there is no purpose in holding up second reading by dealing with any of those details.

We certainly approve extending the prohibitions against discrimination to discrimination on the grounds of age, sex, marital status or physical handicaps. To us, this bill—which might have been produced before now—is timely because it is obvious that there is a serious danger of the poison of racial feelings being expressed in a way which is entirely damaging and harmful to our community. Most of us who have been around a little while can recall the immense burden of human suffering which was caused by racial discrimination flowing from so-called racial superiority, and we certainly support provisions to prohibit the various forms of discrimination which are mentioned.

I would also like to join with the hon. member for Fundy-Royal in commending the excellent contribution made in this field by the Royal Commission on the Status of Women, which made recommendations along these lines in 1970, for the persistence with which it has carried them out. I commend that because I think it is important to know that although things in this parliament sometimes go slowly, if people are persistent in good causes they can sometimes get results. This is a cheering illustration of a case where results have followed a very persistent, informed and reasonable presentation of a case.

I single out the women's movements of this country, and the special committees upon which they have worked, for special notice because I think they deserve it. Even at this hour I have a copy of background notes on this bill which were prepared for the Advisory Council on the Status of Women and only made available in January of 1977. I hope that the committee, when it gets the bill, will have, not a vast number of witnesses, because that would delay the matter, but some experienced witnesses to deal with the act who will make their suggestions and give us their advice.

● (1430)

A problem is raised on the question of retirement. The phrase used is that there shall be no discrimination in regard to age, or the normal age of retirement, in dealing with that type of discrimination, but my recollection is that that is not well defined and is left to the impersonal operations of the market. So that if it becomes customary in some industries to retire people at the age of 30 or 40, then presumably the bill has no application. I think that should be looked into very carefully.

There is another factor which we think should be looked into very carefully. That is, as has been mentioned already by the hon. member for Fundy-Royal, that—as I think is the case in nearly all the provincial acts dealing with this subject matter—stress should be laid on a process of conciliation. It is all very well to have sanctions and prosecutions in the courts, but I am not at all satisfied that the courts, which sometimes lack experience in this type of matter, are necessarily the best instruments in which to seek enforcement of the bill. They may have their part to play, but there is a process of conciliation, a process for seeking to get a change of mind, an attitude as well as merely formal compliance with the act. We think the bill requires to be carefully looked at to see whether adequate machinery is provided encouraging that type of conciliation which has been proven useful in other jurisdictions.

There is an exception which we think is dangerous; that is the one which exempts action which can be described as a bona fide occupational requirement. There is no definition of this so-called bona fide occupational requirement, and we are fearful that that expression might well be used as a loophole through which some people can escape from complying with or obeying the spirit of the legislation. We know that in England the sex discrimination act, dealing with a similar matter, clearly defines what is meant by a bona fide occupational requirement, and we think it is necessary to put that in this bill.

Now I want to deal with part IV of the bill which is called "protection of personal information". In our view, as I have mentioned already, this is utterly inadequate. I think it is a good example of what good legislation should not be. The minister, in the usual fulsome way in which he refers to his own proposals, has described this part of the bill dealing with personal information as an improvement on previous legislation and as establishing a legislative framework for protecting the individual right of access to personal information.

We do not see it in that way. Part IV is full of exemptions and exceptions that are so sweeping that in all likelihood, even if they had any virtue to begin with, they would turn out to be unworkable because they are so broad. The exemptions are all in the hands of the minister who is declared to be the appropriate minister to deal with this act. The Minister of Justice (Mr. Basford) has even suggested that somehow or other this part of the act would take the place of a freedom of information bill such as exists in the United States and some European countries.

Mr. Basford: I never suggested any such thing.

Mr. Brewin: I listened very carefully, and the minister certainly did say it.

Mr. Basford: I did not.

Mr. Brewin: Make yourself clear some other time. I am sorry I was so complimentary of the minister in what I said before. I will try to improve my style so that he will understand exactly what I am saying.

This suggestion—I thought I heard him make it, and certainly the Prime Minister (Mr. Trudeau) is reported as having made it in discussing the freedom of information bill—is a total misconception. The committee on regulations and other statutory instruments, as the Minister of Justice knows very well, has been struggling with the freedom of information bill. The committee travelled to the United States and some of its members travelled to Europe. We have spent a great deal of time on it. I am sure that if he had thought for one moment it was worthwhile consulting that committee, he would have been told that there is no relevance in the statute we are dealing with now to a proper freedom of information bill.

We were impressed, and I think that is true of all members of the committee, with the practicality, the clear, forthright and, indeed, successful manner in which the freedom of information act is administered in the United States. But I ask hon. members to take a look at part IV of the bill and note some of the exemptions. I will not attempt to go into all of them. Practically the whole part consists of exemptions. The bill deals only with federal information banks which are defined in the definitions section. It entitles an individual to see the records in these federal information banks. But the appropriate minister may, with the approval of the governor in council, exempt or restrict the information when he determines that it might be injurious to international relations, national defence or security, federal-provincial relations, or when it is likely to disclose information obtained or prepared by the government or any part of the government in relation to national security, detection or prevention of crime generally, or in the course of the investigation of offences against any act of parliament. So if in the course of investigation they collect any information of an alleged infringement of any act of parliament, the information can be exempted.

The minister also may exempt all material detailed by him to be detrimental to the custody, control or supervision of any person under sentence. That is another fairly large exemption. Further, the appropriate minister can prevent the disclosure of information which is described as confidential to the Queen's Privy Council of Canada, or any information relating to investigations pertaining to the enforcement or administration of any act of parliament.

● (1440)

Anything we investigate that is related to the administration of parliament can be exempted, or which might reveal personal information concerning any individual, or any information that impedes the functioning of a court of law or other tribunal, or which might disclose legal opinions or advice provided to a government institution. Mr. Speaker, since when have legal opinions become sacrosanct? I know the rules of confidentiality—that is, the confidence of the client—but this is a sort of general theory. The Minister of Justice knows about this because a parliamentary committee was refused permission to find out what was the basis of information being handed out wholesale by his department. A blanket of secrecy is put down by the minister himself on the efforts of members of parliament to find out what is being done in government. This provision is on a par with that. I think it is time we got rid of the myth that just by putting something in a legal opinion it is exempt from disclosure.

There is an even stranger provision. If, in the opinion of the minister, the harm of the disclosure would outweigh the benefit, then it could be made exempt. This bill says, in effect—and I put it in general phraseology—that anything the minister thinks should be disclosed, can be disclosed, and if there is anything the minister thinks should not be disclosed, it will be exempt. From the way some of the ministries have been behaving, I am quite sure much material would be exempt.

[Mr. Brewin.]

In our view, the act is a perpetuation of the reliance of the government on secrecy and its determination that we should not have an open system of government. By putting forward a measure that on its face requires something to be disclosed, and then it is eaten away by exemptions, makes the measure meaningless in practice. This is the government's method of holding on to the pattern of secrecy which characterizes its attitude in these matters.

The freedom of information act in the United States may not be perfect, but I think it has made useful and valuable changes in their law. This is not a light issue, Mr. Speaker. There are no doubt many reasons why the people of Canada and this parliament should not have confidence in the government. To me it is clear that this practice of general secrecy is a good enough reason for the people of Canada to get rid of this government as soon as possible. We are tired of a method of operation which conceals from the people of Canada and the parliament of Canada what the government is doing about various things.

Part IV of this bill is an illustration of how they seem to think we are eternally gullible enough to thank the great government for saying, "You can look up a freedom of information bank if you do not fall within some of the wide exemptions that are illustrated." An open society is important because you cannot have a participatory democracy—in which this government believes in theory—without information. To pretend that part IV of the bill is a real step forward toward making information available to people is a farce. In committee we shall do whatever is appropriate to have this clause removed from a bill which is certainly valuable in other parts which deal with discrimination. In its so-called protection of information it is a worthless piece of paper.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I am very pleased to see the introduction of a federal human rights bill. It is understandable that human rights legislation in Canada was first developed at the provincial level, since employment and housing are primarily provincial responsibilities and because the lives of many more Canadians are directly touched by matters under provincial jurisdiction. However, the need for federal human rights legislation to deal with the public service and with agencies under federal jurisdiction has been obvious for some time.

Previous speakers have referred to the Royal Commission on the Status of Women which made very specific recommendations. Since the report of that commission there has been continuing pressure for unified legislation to include and strengthen the various federal statutes and regulations. For example, part I of the Canada Labour Code, which deals with fair employment practices, applies to organizations such as banks, railways, and so on, under federal jurisdiction but does not include the public service. There were a number of exclusions of this kind.

In August, 1973, the Federal Court of appeal confirmed Bell Canada's action in denying back pay to two women employees who, prior to reorganization of the system, did the same managerial work but were paid less than the men on the

job. This particular case raised very considerable concern among working women and has resulted in an increased sensitivity to the whole question of remuneration for women in the marketplace.

The bill before us today is, indeed, as the minister has said, a greatly improved version of the human rights bill, Bill C-72 which was before us in the last session, and to me one of the most significant improvements is that this bill establishes the principle of equal pay for work of equal value. The average female worker in Canada earns 40 per cent to 45 per cent less than the average male worker, and the gap between the two is widening. This massive earnings differential is due in part to the evident failure of our present equal pay legislation. It also results from the fact that women tend to be segregated in lower paying jobs—particularly in secretarial, clerical and service work.

Contrary to public opinion, this occupational segregation of women has increased during the past decade. "Equal pay for equal work" legislation which has been in force in Canada for over two decades compares the rate of pay of women and men in the same establishment on the basis of the same or similar work. In practice, however, comparison of similar jobs has often been avoided. Different job titles, or slight differences in work schedules enable, for example, a male janitor to earn more than a female cleaner. The argument has been made that employers undervalue women's work simply because jobs are staffed by women.

● (1450)

It can also be shown that when men and women perform jobs requiring comparable levels of skill, education and responsibility, men are usually better paid. This discrimination often comes as a great surprise to fair-minded men. A friend of mine who, in his own university, had studied the jobs, pay and skills of men and women on the non-academic staff, confidently expecting he would find no inequity because his university was progressive and followed good personnel practices, found to his great surprise that women in administrative support jobs by and large had two years more formal education than men and were paid about $1,000 a year less. He also found, as one might expect, that the title of the job was different, depending on whether it was performed by a man or a woman. These kinds of inequities, hopefully, will be dealt with by using the concept of "equal remuneration for work of equal value", rather than that of "equal pay for equal work".

The notion of "equal pay for work of equal value" allows for the comparison of unlike jobs, or of jobs that are not precisely the same on the basis of objective criteria of skill, effort, responsibility and conditions of work. We are not talking, in the bill before us, of a massive intervention in the marketplace. We are talking about guidelines for agencies, whether they be government departments or Crown agencies, which already have fairly sophisticated personnel departments, job evaluations and descriptions. Really, it is a matter of doing this differently and perhaps weighing some factors differently.

Men as well as women should benefit in the long term from an equal pay amendment. A gradual elimination of sex role stereotypes linked to occupations offers more possibilities for both men and women to make vocational choices based on their own talents and skills, as opposed to choices which are limited by stereotyped expectations. Once experience has been gained in applying this kind of legislation, it should be possible to develop a body of expertise in its application.

In 1972, the government of Canada, with the concurrence of provincial governments, ratified the 1951 International Labour Convention No. 100 which was concerned with the principle of "equal remuneration for work of equal value". In his announcement, the then minister of labour stated that "the basic obligation of a ratifying country is the pursuit of policies aimed at the achievement of the objectives stated in the convention". A number of years have gone by during which the implementation of this basic obligation has been studied. I have been interested to note, at meetings of the Standing Committee on Labour, Manpower and Immigration, that officials have gradually changed their initial position, of thinking that there was no way in which this idea could be implemented, to one of finding that the idea had possibilities.

I note, with interest, that the commission is to be empowered, among other things, to play a role in public education and research. I should like to see this idea applied narrowly and immediately in the development of mechanisms which will ensure compliance with the intent of this legislation, particularly in the public service. Unfortunately, a number of blocks to the advancement of women exist not because of bad intent but because old rigidities have not been modernized. This applies, for example, to job qualifications. Until recently, one of the qualifications for investigative jobs with the ministry of consumer and corporate affairs was five years' police experience. That was the qualification needed for the investigation of misleading advertising practices. Since few women in Canada have experience in a police force, the effect of that requirement was to introduce a male-oriented bias to selection. Obviously, for this kind of job some experience in investigative techniques is necessary. Surely, however, with careful selection of people and adequate in-service training it should be possible to find some equivalencies which would not have the effect of excluding women.

Similarly, until recently there was an absolute requirement of experience in labour administration for many jobs in the Department of Labour, experience which up to this point in our lives has not been generally available to women. Again, one finds few or no women at all in some of these positions. Given an intelligent assessment of equivalencies and an insistence on in-service staff training, it should be possible, surely, to include some women in such jobs. It has been the experience of those who have worked in large organizations, whether in the public service or in the private sector, that good staff do not fall like manna from heaven. They are generally the logical product of intelligent staff development and in-service training.

Another program which was designed to find "promotable people" and develop their careers, but is not doing this for women, is the data stream system. Again, certain rigidities have crept in here. The "buzz" words which describe the needed qualifications tend to exclude women. For example, a master's degree in business administration tends to be much more highly regarded than perhaps a master's in social work or in nursing. Actually, the latter kind of specialization has often been seen as a handicap. Surely this is not reasonable, because although for certain types of jobs financial and business expertise are essential, there is more than one kind of administration. One thinks of an administrator as somebody who can create a climate in which people can work to capacity and as somebody who knows how to enable people to work effectively. The application of interpersonal skills in a task-oriented way is not necessarily something for which the M.B.A. is the only possible kind of preparation.

● (1500)

I hope that with the introduction of this new legislation and the requirement that equal pay be given for work of equal value we shall also find attention given to some of these mechanisms which will reduce the rigidity.

Another important element in this legislation is the inclusion of unions. The record of the unions in promoting the status of women has not been impressive. However, some very encouraging resolutions were passed at the last annual meeting of the Canadian Labour Council and one must hope that this represents a change of heart, one which I am sure will be helped by the existence of the legislation before us.

When I was in Washington last September I met with an American unionist who told me that some of her associates had successfully sued her union for a large amount of money on the grounds of inadequate representation. Her comment was that the result had been to create in that union and in others a greater sensitivity to the needs of women members. But she added; "I really hate to see our union hit with a great big fine because, after all, it is our own money." I agree that union funds could probably be used for many more constructive purposes than the payment of legal fees and I would hope that the existence of the law, together with changing social attitudes, will result in more effective representation by the unions of the needs of their women members.

The fact that the commission has been created with a considerable degree of independence, and that it is to report directly to parliament, is important precisely because the commission has the power to review and comment on federal rules, orders and the like, and if these are found to be inconsistent with the principles set out in the bill, to include such matters in the report to parliament. This aspect of the commission's work will be extremely significant because the barriers to the advancement of women in the public service and in Crown corporations are often constituted less by overt prejudice and deliberate exclusionary tactics than by rigidities in old-fashioned hiring practices.

[Miss Nicholson.]

Two major criticisms of the bill have come to my attention through the mail and also by telephone. The first is that it places too much emphasis on negotiation, that it "lacks teeth", that it does not go quickly enough to court action. The other side of that criticism I heard, in Washington, in September when women in the women's rights movement were talking about big settlements which one corporation or another had been obliged to make as a result of a decision under the equal rights legislation. They told me that these court actions dragged on for so long, and large corporations were so well able to wait matters out, that the individuals concerned rarely benefited. One disheartened person said to me that perhaps equal rights legislation should have been called the "lawyers and economists social security act".

The emphasis on negotiation in this Bill and on attempts to reach a settlement before resorting to punitive action is one which fits the Canadian situation better. I think we have more taste and talent for negotiation and trying to reason matters out than for engaging in fierce fights. Moreover, we are smaller. We are dealing with organizations which are less entrenched. By and large we are dealing with situations where there is good will rather than otherwise, and I think that to use the heavy hand prematurely would probably not be in our interests. Nevertheless, it is well to have it in reserve, and I like the balance of the bill in that regard.

Turning to the second criticism, there are some who feel that questions having to do with employment should still be under the Canada Labour Code, that we are dealing here with a commercial transaction between a woman and an employer and that one ought not to be obliged to go to a human rights commission to get what is a basic right of that kind. I feel that this objection is met in the bill before us in several ways. First, there is the possibility of group action. A woman does not have to complain on her own; her union or group can lodge a complaint on her behalf. In the second place, there is the commission's power to initiate and examine. Then there is the fact that the inspection right under the Canadian Labour Code is retained. Inspectors in the Department of Labour retain the obligation to look for inequalities in pay. The accumulated expertise in the Department of Labour is retained and made use of.

I am sure that as with any bill some improvements will be made in committee, but I believe we are starting off with a bill which has many good features in it.

Mr. Brewin: I am rising on a question of privilege, Mr. Speaker. In the course of a speech I made earlier this afternoon I spoke about the Minister of Justice (Mr. Basford) having referred to the American freedom of information act. He has told me that he was in fact referring to a quite different American bill known as the privacy act. I misunderstood his reference, and on the basis of that misconception I attributed something to him which was quite inaccurate. I withdraw it and I apologize.

Mr. Basford: Further to that question of privilege, Mr. Speaker, I am grateful to the hon. member for his interven-

tion. It is a confusion which easily arises and I was speaking very quickly—the difference between a freedom of information act which refers, of course, to general information, and the protection of personal privacy and personal information, which is what this bill deals with.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I welcome the opportunity to speak on Bill C-25 which is an act to extend the present laws of Canada which proscribe discrimination and protect the rights of individuals.

I believe the Canadian people should know exactly what we are establishing here. This is a bill to provide for a Canadian human rights commission, and the powers and functions of the commission are described. It is provided, for instance, that full-time members of the commission are persons deemed to be employed in the Public Service of Canada for the purpose of the Public Service Superannuation Act and for the purpose of the Government Employees Compensation Act and any regulations under section 7 of the Aeronautics Act. Also the commission is to provide for the payment of witnesses' fees to persons appearing before tribunals, and a tribunal may award compensation in the manner prescribed to a victim of a discriminatory practice.

● (1510)

I am not a supporter of establishing another government department or of expanding the bureaucracy, but certainly I support the establishment of the human rights commission. I want to read into the record this afternoon some of the reasons why we need such a commission and also to relate some of the discriminatory ways in which some employees are being treated by Crown corporations.

The enforcement of human rights legislation has always been weak and difficult. The Canadian human rights commission will have the exclusive power to turn away a complainant if it thinks the problem can be solved elsewhere. It could shortly become the last resort for a complainant as a result of overwork. The individual may be forced to turn to other agencies or even the courts.

The cases I am going to discuss this afternoon, Mr. Speaker, are cases that have gone to the court but the individuals have still not been informed why they were dismissed by the Crown corporation concerned. The individual or group has no right of appeal should the commission refuse to take a complaint or decide it is without basis. Nowhere in this provision does it state that the complainant has the right to information collected by the commission during the course of the investigation. The enforcement of a person's human rights is entirely in the hands of the human rights commission. I think there should be some check on what they do or refuse to do, and I hope this aspect will be thoroughly discussed at the committee stage.

In terms of enforcement, the commission has no powers. It can at any stage after the filing of a complaint appoint a tribunal which will hold meetings to determine whether the act has been breached. If so, it issues binding orders which are enforceable in the same manner as an order of the Federal Court of Canada. It will take at least two years or more before this commission is established. One wonders whether the new federal ombudsman will have problems with the bureaucracy in terms of their resenting an outsider's authority to poke into their procedures.

I have received a letter from the Canadian Telecommunications Division of the Canadian Brotherhood of Railway, Transport and General Workers. They have taken up the plight of one of their colleagues who has been dismissed by CN Telecommunications. The union has done everything it possibly can to find out why this person was dismissed, and the matter has been to the courts. Unbelievably, Mr. Speaker, even after going through the courts the courts did not demand that CN Telecommunications give a clear cut explanation of why this individual was dismissed. I should like to read the contents of this letter into the record.

On July 7/75 an employee of Canadian National Telecommunications in Whitehorse, Yukon Territory, named Bernie Maguire was called into the office of the Superintendent and was handed a letter which read:

"We regret to advise that subsequent to your being accepted for technical employment it has been determined that you do not fully meet entrance qualifications for such employment with our company. In view of this we must terminate your services immediately."

Mr. Maguire had been employed for eighteen months as a technician in the testing and regulating department and he was not allowed to return to his shift but was paid two weeks wages in lieu of notice.

The company refused to give Bernie any specific reason for being fired. He had passed both the company technical examinations and the company medical. He completed the probationary period which is six months, and his immediate supervisor, Mr. Bruce Lodge, stated that he was quite happy with Bernie's work. Bernie Maguire to this day has not been given the specific reason for his dismissal.

It was not until the case was heard by an arbitrator that the company finally offered a partial explanation. Bernie Maguire had failed to pass a security clearance.

It should be pointed out at this point that prior to his service with CN Telecommunications, Mr. Maguire served in the Canadian Army in the "cryptology" department and he was security cleared to a very high level.

So the House can see that this is a strange case. This man could not pass the security test of CN Telecommunications, but he was not considered a security risk for the army, which had a higher priority over CN Telecommunications. Continuing with the letter:

The case was grieved by the union representing Mr. Maguire, which is the Canadian Telecommunications Division of the Canadian Brotherhood of Railway, Transport and General Workers. It was grieved on the grounds that the collective agreement was violated and that an employee must be given a specific, valid reason for being dismissed. The case went through the first three stages of the grievance procedure with negative results. During this time MP John Reynolds brought the matter before the House of Commons and certain members and ministers promised support should the grievance procedure fail to bring satisfactory results, among them the Hon. Jean Marchand, hon. Ed Broadbent and hon. Erik Nielsen.

The case was heard by an arbitration board headed by Justice J. C. Anderson on November 14, 1975. The company stated that due to a contract with the Department of Supply and Services for the provision of communications facilities for the Canadian Police Information Circuit, all employees concerned must be security cleared.

In his decision Judge Anderson declared that the company had the right to set security as a standard of employment and that they were right in terminating the employment of Mr. Maguire. He ruled also that the company "could only do so upon paying the employee in lieu of reasonable notice, a sum of money at the rate of pay he was receiving at the time of his termination, equal to seventeen

(17) weeks of pay." He did not rule that Mr. Maguire should be told the specific reason for his dismissal.

I am going to give the Minister of Justice (Mr. Basford) a copy of this letter and I hope he will launch an immediate investigation. I find it very stange that the courts did not insist that CN Telecommunications provide a full and clear explanation of why Mr. Maguire was dismissed.

In view of this the union decided to appeal to the Supreme Court of Ontario to reverse the decision of the arbitrator. This court upheld the arbitrator's decision. On December 21, 1976 the case was heard by the Ontario Court of Appeal and was dismissed on that day.

Legal counsel for the union has advised against further action in the courts but advises that the case be pursued in the "political arena".

So we are now pursuing this man's case in the political arena this afternoon, Mr. Speaker, and I certainly hope that the Minister of Justice will take some action on it.

We appeal to the members of parliament to correct this injustice. We are asking only that Mr. Bernie Maguire be given the specific reason for being denied his security clearance.

If CN Telecommunications has a clear cut, logical explanation why this man was dismissed, then he is certainly entitled to hear it. One reason we need this kind of bill and a commission is to investigate cases like this. The letter concludes:

Do we live in a country where the rights of an individual can be so trampled on that a person can be fired from his job and be branded for life as a "security risk" with no reasons given and no avenue of appeal?

The matter is in your hands. Please don't let us down.

This letter is signed by a number of his colleagues in the union, and the case is one example of an individual I should like to see helped. It is unfortunate that this human rights commission will not be established until about another two years, so I hope that the Minister of Justice will take some appropriate action.

I should like to give the House another example of what happened to some employees in another Crown corporation, Air Canada. Five Air Canada employees were wrongly charged in connection with the theft of gold at an airport in the state of New York. They incurred legal expenses amounting to $18,000 and the airline refused to compensate them for their financial losses even though they did in fact receive their back pay lost during their four months' suspension.

This is not an isolated incident, Mr. Speaker; rather it is one that seems to occur quite regularly. Perhaps there are many Crown corporation employees who do not fully realize the position they are in, and I will just explain why. We had another case of a gold theft at the Ottawa International Airport in April, 1975. Although this case has now been solved, Mr. Speaker, Air Canada employees who worked at the airport were under suspension. The same thing happened to them as happened to the Air Canada workers in New York.

The crux of the problem is the lax security measures at Air Canada terminals. This is not the fault of the employees. If Air Canada expects its employees to guard valuables, Air Canada should make the task easier by first stepping up its security measures and then it should take on the responsibility of paying the legal fees of those falsely accused of theft. If they are placed in this vulnerable position, they should certainly be protected. There has been no decision with regard to paying the legal fees of these Air Canada employees falsely charged with theft. This is another group that can appear before the Human Rights Commission because they have been treated unjustly.

● (1520)

There are others who wish to speak on this bill this afternoon. Therefore I will not take any more time. As the hon. member for Fundy-Royal (Mr. Fairweather) stated, our party fully supports this bill. There are details that can be worked out in committee, and some improvements made. I welcomed the opportunity to enter this debate this afternoon.

[*Translation*]

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, at a time when basic individual rights are constantly jeered at in most countries of the world, the spirit if not the letter of the International Declaration on Human Rights remains ineffective, in spite of the nobility of the feelings by which it was prompted. I am grateful to the minister for that legislation which will legally ratify what is already found in the provincial jurisdictions and will enable Canada to join the unfortunately select club of nations which are not satisfied with pious and hollow words when time comes to deal with discrimination.

It is not sufficient, Mr. Speaker, to endorse the principle of a national, interjurisdictional or even international statement of rights, since concrete pledges to which it gives rise often contain pointless restrictions which deprive those rights of any real meaning and governments can then with impunity under the guise of national security or another wrong or hyperbolic reasoning cast them aside, alleging their temporary character. However, that feat of strength shows the weakness of those rights and the necessity of incorporating them in a statement and explaining grounds for discrimination while establishing an enforcement body to act as watch-dog ready to detect possible abuses by governments or individuals.

Therefore, principles and statements of intentions are important, but experience clearly shows that they are not enough and that solid structures must be developed to translate them concretely into facts and that solid tools must be developed to ensure that they are respected. That is the objective of Bill C-25, an Act to extend the present laws in Canada that proscribe discrimination and that protect the privacy of individuals.

This is an important step in the total process involved in implementing an articulated Canadian policy for the protection of human rights, but it is not the ultimate expression of this process since human activities related to this area are innumerable and the list of the abuses involved nearly endless. I hope that this is only the start of a dialogue which will find its extension in the study by the human rights protection commission and future discussions in the House, since the House will periodically evaluate any change in the situation. In this context which is somewhat vague, I admit, but neverthe-

less very tangible in what directly affects certain Canadians who are now the victims of discrimination, Bill C-25 will aim at correcting the weaknesses which are the most obvious and the most socially unacceptable in discriminatory practices without ending completely all discrimination among human beings.

Unfortunately, and in spite of the beauty of the concept of human brotherhood, as long as there will be a humanity, there will be discrimination. But it is precisely the role of society to protect itself from it and eventually eliminate it by establishing general policies from which it must not deviate while strictly defining the limits of its intervention and action so as to protect effectively, without interfering with, the expression of the most basic of rights, that of freedom of thought, individually and collectively.

Bill C-25, as the Minister of Justice (Mr. Basford) and the hon. member for Fundy-Royal (Mr. Fairweather) have said so well, is a valid working paper with technical aspects that can eventually be reshaped and refined during the detailed study by the parliamentary Committee on Justice and Legal Affairs. I will therefore postpone at this point some hopefully constructive criticisms that can better await the committee stage, in the light of the minister's commitment to reconsider the details of this proposal.

The bill is in five parts with a preamble stating the purpose of the legislation and its basic principles. These are that every individual should have an equal opportunity with other individuals to make for himself or herself the life that he or she is able and wishes to have, without being hindered in or prevented from doing so by discriminatory practices based on race, national or ethnic origin, colour, religion, age, sex or marital status, or conviction for an offence for which a pardon has been granted or by discriminatory employment practices based on physical handicap. As I said, there is a recognition of the need to strike a delicate balance between the rights of the individual and those of the community, in the statement that the privacy of individuals should be protected to the greatest extent consistent with public order and well-being.

I am somewhat astonished that in his speech the minister avoided any reference to the protection of the individual's language, because this is a basic right deserving special protection, as indicated in Section 2 of the Universal Declaration of Human Rights. I find no mention of it in the proscribed grounds of discrimination as stated in Bill C-25. I very much expect the minister can explain in due time to the Committee on Justice and Legal Affairs and the Canadian public why he rejected that right, at least in this bill to extend the present laws in Canada that proscribe discrimination and that protect the privacy of individuals, and what he envisages as a substitute to the protection embodied in this legislation.

I realize that sufficient protection might be afforded by the insertion, in the preamble to the Canadian constitutional statutes commonly referred to as the Canadian Constitution, of a specific reference to the right of Canadians to communicate with the Canadian government in one of Canada's official languages. But what about the many Canadians whose mother tongue is neither French nor English? There is something to think about although in every day practice it would be very hard to distinguish between outright discrimination on purely linguistic grounds and normal linguistic restrictions necessary to the orderly operation of Canadian society, more specifically of course in the area of unemployment.

Finally, let us remember that several members are expecting explanations and alternatives in this area from the minister. The creation of a Canadian Human Rights Commission is the natural extension of the statement of proscribed grounds of discrimination. Indeed, it is primordial to provide for the formation of a politically and administratively independent body whose object would be to sanction the contents of this legislation by looking for and into patent cases of discrimination. It was also very important that this commission should have extended powers, and clause 22 in that respect overwhelms me since in addition to the nearly police like aspect of its action in its role as a watch dog against proscribed discriminatory actions as set forth under Part I it may also undertake any action likely to promote collectively and socially the just cause of respect for all basic rights.

I hope in that sense that the commission will have great public exposure and that it will build around its work an aura of justice and equity, a sort of a secular arm of the equalitarian social aspirations of our community. I will go quickly over Part III which also takes a look at discriminatory practices such as depriving an individual in Canada of government services to which he would normally be entitled, or adverse differentiation upon the provision of services.

Part IV deals with the protection of personal rights. This is an area about which a lot was written recently as it is related to the broader area of the right to information. The only thing covered here is an individual's access to government files compiled on him, and as many others I will be looking forward to an explicit line of conduct on what should be a unified and coherent policy on the right of the people of Canada to information and, correlatively, the classification of papers and documents produced by the government.

As for the protection of privacy of individuals, it is another of these fundamental rights that modern society has rediscovered after decades of systematic hesitation by governmental, semi-public, private and even sometimes secret agencies. Time has come indeed for us to issue, within the limits of the government's responsibility for collecting and processing individual data for federal information banks, strict rules enabling individuals to consult and, when required, correct the information stored about them. It is a very commendable objective whose sole foreseen restrictions, which I think will be very far reaching, would eventually inhibit its realizations by creating problems and conflicts of interest between the individual and the community in general.

In committee I intend to explore with the minister the extent and application of the anticipated restrictions and the right to information in order to establish with him and with our colleagues if, yes or no, we might be recognizing this right and at the same time strangling it by imposing overly severe

restrictions. In conclusion, Mr. Speaker, I will simply add that the bill is very valid and that its objectives are no doubt shared by all Canadians and a fortiori by all members of the House. As for the different clauses, they will be studied where we discuss such things, in committee. For the moment we are discussing the principle behind the bill and, like everyone else here, I consider that this principle has already been established.

● (1530)

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this legislation has been long awaited and, as hon. members have said, there may be some difficulty in getting it to a level which we think would answer the best needs of Canadians as a whole.

We know that in the various provinces there are acts covering human rights, with some of the provinces, if not all, having human rights commissions. We have heard of some rather sensational cases and we have heard of others where, frankly, the commissions have got themselves in a snarl. I am concerned here about the danger of overlapping and that we would get varying standards between the federal legislation and that applicable to the provinces. I do not think one could say that it would be in any way tolerable, even less logical, to have differing standards of human rights in this country, regardless in which province the citizen or the resident may be located.

I would like to look briefly at some of the problems which I think must be encountered in some of the applications of human rights legislation by some of the provincial commissions. I think there is a very grave danger of discrimination in reverse. We have seen, particularly in the service industries, employers who have a particular purpose and who have a particular type of business in which a certain type of person must be employed, being denied the right to advertise, for instance, for a French chef. That is a no-no. Presumably one has to do it by way of advertising for a chef, either male or female, with a knowledge of French cuisine, and regardless of who may come up, in that particular type of establishment that person should have the right to that position. He may be completely unsuitable in the atmosphere or the type of restaurant or hotel that might be contemplated.

I was discussing this matter with manpower officials in Alberta with regard to the introduction into Canada under a work permit of, say, a Chinese chef of a particular type, whether he is skilled in Mandarin Chinese or Cantonese Chinese, whether he is a pastry cook, or what have you. One runs into the difficulty of saying you cannot specify that, you cannot say that you are going to put a Chinese cook in a Chinese restaurant. I say that is all a lot of poppycock because if the establishment is a Chinese restaurant, then in the kitchen there will be Chinese who understand the foods and who understand one another. To say that one should admit a person of other racial origin, who would be introduced, bulldozed or ramroded into one of these establishments, is totally wrong. That is one difficulty. It has already occurred and it might, unfortunately, happen under legislation of this kind which in itself is very well meaning but which in its application is sometimes less than logical. Thus we get negative results. All that this can be called is discrimination in reverse, or inverse discrimination.

The third difficulty—and here I come back to the Department of Manpower and Immigration—is that in our present regulations the point system is discriminatory and certainly in principle and in spirit is contradictory to this act. Hon. members know that under the point system a person up to the age of 35 has no disabilities imposed upon him or her by reason of age, but any prospective immigrant over the age of 35 has one point deducted from the points obtained up to a maximum of ten. In other words, persons 45 years of age and over to the age of 65 have ten points deducted from the point score they have obtained, all because of age.

I say that the government of Canada in its application of its own immigration rules is engaged in a blatant form of discrimination with regard to the age indicated in this bill. Of course it may be that some of the purists or, to be more accurate, some of the legalists, will say "But in the act under clauses 5, 6, 7 and 8 immigration is not a subject in which discrimination is prohibited." I will say that perhaps it is something we should discuss in committee. Clause 8 reads:

> It is a discriminatory practice . . .
>
> (ii) to make any written or oral inquiry that expresses or implies any limitation, specification or preference based on a prohibited ground of discrimination

I suggest to you that maybe the insistence on the point system with regard to age in a written or oral inquiry is a prohibited ground of discrimination. This is something that I will not discuss with the minister but he might want to take a look at it and inquire from his colleague, the Minister of Manpower and Immigration (Mr. Cullen), as to the existing and intended practice in the devising and application of regulations relative to the point system under the Immigration Act.

The next point I want to talk about is that perhaps one can justify it and say there is no discrimination in the two tier system of post-secondary education fees. It is said that this applies to all known Canadian residents whether they are landed immigrants or Canadian citizens. However, we should face the fact that the public clamour in some areas of Canada seeking to impose higher levels of fees on foreign students is nothing more or less then outright racism.

● (1540)

Far too many people have told me that they have seen people going around our university campuses who are not white, and it is for that reason that Canadians are being excluded from what they would consider easy admission to university courses, whether their averages are worthy of it or not, or whether their scholastic performance is worthy of it or not. Usually if a close inquiry is made, it is found that the academic standards were simply not high enough. However, these self-same people lump in as foreign students many Canadian born students who are of second or third generation

but whose skin does not happen to be white. They are all lumped together as foreign students, and the attitude is that they must be kept out. I say shame on all of it. I think that is a wrong principle. Where it has been used I think it has been wrong, and it has been used by the government of the province where this is being done.

After all, 85 per cent of the cost at university level is borne by the public purse. About 10 per cent of the cost is covered by tuition fees, and 5 per cent by grants, bursaries and scolarships. However, of that 85 per cent—and this is where some of the provincial legislatures are loath to come clean with the people—50 per cent comes from the coffers of the government of Canada. Granted, it comes from Canadian taxpayers all across the country. One of the reasons this country is suffering in this particular regard is the absence of a national educational policy. There are many reasons—but that is another subject—why there should be a national educational policy. However, this is one of the consequences of its absence.

Three years ago the universities were crying because they did not have enough students, but now when there is a problem of some crowding I do not think we should impose a two tier system of fees. The fact that it is done in some jurisdictions in the United States does not make it any more right. Perhaps I am subjective because it was my privilege to spend three years at a university in a country outside Canada. There was no distinction as to where I came from with regard to fees. I hope that the university life there was better for that policy. I certainly benefited from the presence of many foreign students, and I know that in Canadian universities the presence of foreign students benefits both the student body and the faculty, in the same way as does the use of foreign teachers. The alternative is intellectual incestuousness.

I am wondering whether the two tier system of university fees is not in contravention of at least the spirit of clause 5 of this bill, because it seems to me that the provision of education is the provision of a service. There is a differentiation "adversely in relation to any individual on a prohibited ground of discrimination", and that is of national or ethnic origin or race. I hope that those who seek to impose two tier systems of fees at universities will be dealt with in this bill. I will admit that there have been some arguments made, but in essence they must yield to the other arguments for treating all applicants to universities alike, whether they are at the under graduate or post graduate level.

Then there is a final area, and that is the area of labour relations. The hon. member for Trinity (Miss Nicholson) made reference to unions. Many years ago I proposed motions, and I actually proposed an amendment to the Canada Labour Code which would prohibit the firing of a person who held bona fide religious beliefs against participation in a labour union. There are thousands of these people here in Canada, and there have been desultory efforts in Manitoba and Ontario—and there may now be in Saskatchewan—to bring in provisions to allow these people to engage in their chosen employment notwithstanding the fact that there is a closed union shop; that is, that those people who have a bona fide belief, as I indicated, will be able to continue in their employment, notwithstanding that there is a closed union shop agreement, by paying the equivalent of full union dues to a charity which is mutually agreed upon by the union local and the individual concerned. There is no free ride in so far as non-payment of dues is concerned, but I suggest that there has been blatant discrimination on the basis of religious beliefs as a result of the implementation in many provinces of clauses under closed shop agreements.

The formula I have suggested has been tried. There may be other suggestions, but let it not be said that because of any type of labour agreement a person in Canada shall be kept out of his or her chosen employment by reason of religious beliefs.

• (1550)

The last point I wish to make refers to the Immigration Act. Persons presently in Canada under a minister's permit so that they may be able to work and get medicare and other benefits, are issued a social insurance number in the series nine. That is a clear indication to employers today that the status of this person as a citizen or immigrant is unsure. I have been advised by persons holding such cards that they must take jobs at lower than the going rate and that there are various forms of victimization as a result. Why must they have that series nine designation? As soon as the landing is cleared a new card is issued with a non-identifiable number. Mr. Speaker, that identifiable number is like the mark of Caïn, and it should not apply.

There are many other areas of concern. We could talk about prejudice and so on, but these are the areas in which there is discrimination by reason of race, ethnic origin, maybe colour, religion, age and other things. I hope we will be able to discuss them with a degree of objectivity with the minister and his officials. If there is anything that will help passage of this legislation it will be the flexibility of the minister and his officials to accept ideas from the opposition and backbenchers. The front bench and its immediate advisers has no copyright on commonsense, logic and justice.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): The hon. member for Matane (Mr. De Bané).

Mr. Paproski: Hear, hear!

Mr. Pierre De Bané (Matane): Mr. Speaker, I am sure that the Conservative Whip would like to participate also, but as he is here on a permanent basis he can do so at any time.

Mr. Paproski: Wait until May, 1978.

[*Translation*]

Mr. De Bané: Mr. Speaker, I am very pleased to participate in the debate on second reading of Bill C-25 and as the minister himself said, our whole legislation in the area of human rights protection is inadequate, and the federal government is lagging behind some provinces in this regard. Surely this bill is an important step forward, but I would like during the time allocated to me to emphasize specific points which I

think are weak and I hope will be corrected when the bill is considered in committee.

The first point which strikes me, concerning the Solicitor General, is the second part of the bill, which deals with the federal information bank. For the first time since the completion of studies it commissioned in 1971 and 1974, the federal government comes directly to grips with this extremely complex problem, namely the information which the state is allowed to gather for various administrative purposes. The bill before us provides for the appointment of a Privacy Commissioner who is responsible for the enforcement of this part of the legislation. He will act as an ombudsman reporting to parliament on any possible problems relating to specific bodies—more than 90 of them—government departments or Crown agencies which must gather some information about citizens under their current activities.

It is an ombudsman as the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) has reminded us, who will carry out in the privacy area the same functions as the Official Languages Commissioner. The problem here—and I am quite sure the Solicitor General will deal with it—is the following: every minister will be allowed to exempt those institutions which come under his jurisdiction from the requirement to disclose all information obtained about individuals in Canada. This exemption which I call a loophole will enable any minister—and sometimes a Cabinet meeting will have to be held—to refuse to explain, for reasons which he will not be compelled to state, the exemption granted to a government institution. This is understandable when matters of national security and intelligence are at stake. I realize, Mr. Speaker, that it is four o'clock.

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

PRIVATE MEMBERS' PUBLIC BILLS

[*Translation*]

The Acting Speaker (Mr. Ethier): Shall orders preceding Order No. 56 stand?

Some hon. Members: Stand.

[*English*]

Mr. Kaplan: On a point of order, Mr. Speaker, I believe you will find unanimous consent in the Chamber to proceed under private members' bills with Bill C-256, an act to amend the Criminal Code of Canada (counterfeit of rare coins and notes).

The Acting Speaker (Mr. Ethier): I believe we are moving in that direction.

[Mr. De Bané.]

HOBBY PROTECTION ACT (NUMISMATIC)

EXTENSION OF CURRENCY COUNTERFEIT LAWS

Mr. Bob Kaplan (Parliamentary Secretary to the Minister of Finance): moved that Bill C-256, to amend the Criminal Code (counterfeit of rare coins and notes), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I have often seen the Chair come to a very rapid understanding of matters in the House and I want to congratulate Your Honour for reading the mind of this Chamber and knowing we had agreed to proceed at this time with Bill C-256, an act to amend the Criminal Code (counterfeit of rare coins and notes).

I intend to be very brief, Mr. Speaker, but I should like to take the time of hon. members to outline the background of the bill and tell members about the support it has received.

Currently it is legal to buy, sell and own counterfeit copies of obsolete coins, non-legal tender coins. The Criminal Code in section 406 defines counterfeit moneys to mean counterfeits of current coins and current paper moneys that are the lawful coin of this country or elsewhere. Under present Canadian law a counterfeit coin may be produced if the government which issued it has expired, for example the Third Reich in Germany, or ancient Rome, or if in the country of origin that money is not received any longer as legal tender.

● (1600)

Part X of the Criminal Code, which deals with offences relating to currency, is intended to protect the money circulating in this country, whether foreign or Canadian. When the relevant section was enacted, the intention was not to protect the value of rare coins. However, Mr. Speaker, some coins have acquired a very high value and it is difficult to convict a counterfeiter or someone buying and selling counterfeit coins, because at present it is legal to own, buy or sell such counterfeit coins.

A lawyer who administers the hobby protection act in the United States when testifying at the hearings before that act was passed said that some fraudulent coins have been sold as originals. He gave as an illustration one importer who, in a few years prior to 1973, sold 40,000 coins as originals. All his shipments consisted of imitation coins, none of which was marked as a replica. Inexperienced persons are particularly easy to dupe when dealing with counterfeit coins. This practice causes problems for generations, and threatens the historical and exchange value of the originals.

It should be illegal to manufacture counterfeit coins without the word "copy" on them. This would protect collectors, investors, speculators and hoarders. With the word "copy" clearly embossed, it would be obvious that the coins are not meant to be used as currency. The market in gold and silver coins is estimated to be many millions of dollars. What is needed, and what is proposed, is a law to protect collectors from fraudulent non-current coins.

It is common practice in Italy and Lebanon, and was until recently in Germany and some other places, to counterfeit coins as long as they are not current coins. Mints in those countries are actively engaged in manufacturing such coins. With modern technology and methods, the counterfeiters are turning out copies of very valuable coins which cannot be distinguished from the originals; these are copies not only of obsolete coins, but even copies of Canadian $5 and $10 gold pieces of 1912, 1913 and 1914, as well as of Canadian silver dollars of the 1930's and 1940's. These are listed in price lists as counterfeits, mailed all over Canada and the United States by counterfeiters, if I may call them that, and sold at just over the metal value. These counterfeit coins are so good that is often impossible to tell the difference between them and the legal ones. In fact the counterfeit ones quite often look more authentic. Although they are advertised as counterfeit coins by the manufacturer, unscrupulous buyers can pass them off as originals, and this is being done frequently. These counterfeit coins also find their way into bazaars in Europe and then into our own country. There are literally millions in circulation.

In 1973 the United States passed its hobby protection act which made it unlawful to manufacture, import, introduce into business or distribute any imitation numismatic item, coin, paper money, token or medal, which is not plainly and permanently marked "copy". The act is both criminal and civil. It permits any person to commence civil action for an injunction and damages wherever the defendant has an office or home. It makes it illegal to bring a counterfeit coin into the country unless it is stamped "copy". This legislation was enacted ten months after being brought to the attention of Congress. I am told it has worked very well.

West Germany in January, 1975, enacted a similar law which prohibits the manufacture of unmarked reproductions. This law was passed a few months after members of the Vancouver Institute of Coin Enthusiasts and the Montreal Numismatics Society presented petitions to the German ambassador in Canada. This organization in Canada can take much credit for the enactment of the law by the West German government.

Mine is a short bill, Mr. Speaker, and has already been widely circulated in the country. It was referred to in the trade magazine, the collector's magazine and the numismatists' magazine. I have also received letters, which I should like to present to the Standing Committee on Justice and Legal Affairs, from the Canadian Association of Numismatic Dealers, signed by Mr. Al Bliman, executive secretary; from the Canadian Paper Money Society, signed by Mr. W. H. McDonald as past president; and from the Canadian Numismatic Association, signed by the president, Mr. Alex L. Munro. As those letters show, those three organizations representing the major numismatic associations of Canada support the principle of the legislation. In one letter it is suggested that the size of the word "copy" should be somewhat different from that proposed in my bill. In any event, the technical aspects of the bill, matters of size, type, etc., can more properly be considered in committee. I look forward to having the bill referred to the Standing Committee on Justice and Legal Affairs.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, first, let me congratulate the parliamentary secretary who has just spoken for bringing forward Bill C-256, a bill which is endorsed by the numismatic associations to which he referred. May I say that although the present bill has come forward today in the hon. member's name, it is not a new proposal; but that does not detract from the importance of the legislation. If my memory serves me correctly, this matter was first advanced by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds). I think that is the case. However, I wish to make it clear that my remarks are not to be taken as in any way detracting from the merits of the bill and the good sense of the hon. member in bringing forward the bill in its present form.

In order to allay any suspicions the hon. member may have about our intentions, let me say that the opposition does not intend to talk the bill out. I would not want the hon. member to think that I shall speak for the maximum time allowed under the rules. Members of the opposition recognize the importance of this hour, for good ideas are put forward during private members' hour not only by members on the government side but by those in the opposition as well.

I should like to see the bill referred to the appropriate committee. Having said that, I ask hon. members on the government side to remember the importance of this hour.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Many good concepts are advanced by private members, by those on the government side as well as on the opposition side. I suggest that it is good to allow committees to examine private members' proposals. When, from time to time, the House adopts a private member's bill, or allows the subject matter of a private member's proposal to be studied in committee, the law of the country is enhanced and, because the work of the private member has been given recognition, the legislation of this parliament is enhanced.

• (1610)

I am afraid, and I do not say this in any partisan way, because this is not a partisan hour, that there are many times, I must say, through design rather than accident when private members matters are talked out, so they can never have the question put. I know the committee on procedure and organization has considered a change. I am sure the hon. gentleman who is nodding his head so vigorously on the other side is going to raise that matter, but I think we need much more than a change which would allow one item to go forward out of so many—for example, a draw.

I think we need a change in attitude toward the private members' hour, an attitude which will ask the House to consider very carefully the matters which are brought forward if there is some merit in them, even for the purpose of having a question looked at and, regardless of the side from which the

matter comes, private members will still be encouraged and the initiative of the members in terms of legislation would be encouraged.

Too often an indiscriminate no, an indiscriminate number of speeches, can destroy a good idea, and I do not think we should be destroying good ideas almost by design. The private member should be encouraged.

I think we should go far beyond even the suggestion which I know the hon. member opposite is going to put forward in good faith, in terms of the consideration of business. We could change the hours of the House. We could do other things. But I think we have to change our attitude, and that is perhaps the most important thing. I say this with some personal knowledge gained in the last week or so. I advanced a private member's bill which I admitted was really the first word rather than the last in terms of legislation in the hope that the subject matter at least, would go to a committee. But it didn't. I will persist, but it can become discouraging from time to time. I do not think good ideas should have to be pressed again and again. The hon. member for Winnipeg North Centre (Mr. Knowles) who has been here since 1940, with a short break—

Mr. Knowles (Winnipeg North Centre): Since 1942.

Mr. Baker (Grenville-Carleton): Since 1942, with a short break, will acknowledge the difficulty faced by private members.

In saying I approve of this bill I am not asking for a trade for someone else's bill. I am asking for a rethinking of the principle by government, really, because I think the principle is a sound one, and I congratulate the hon. member for bringing it forward.

One other thing. I hope the hon. member will forgive me for importing it into the debate but I believe it is relevant to the subject matter. Members of parliament, including members of the Senate, now travel rather widely under the auspices of the Speaker of the House and the Speaker of the Senate. We visit other countries. We receive many delegations from other countries. This year I think the habit has been that we present those delegates with souvenirs of the 1976 Olympics. It has been the habit for us to give Olympic coins.

It happened yesterday when the Speaker presented the Speaker of the Venezuelan House of Representatives with a gold Olympic coin, a very treasured thing. But if that is a treasured gift to give and to receive, I think we ought to consider the striking of a parliamentary medallion which would be reserved for use by the Speakers and the heads of delegations visiting foreign countries under the auspices of one of our parliamentary associations. Such a medallion could be given to the other delegation, perhaps replicas or miniatures to members in the House, and we would also do the same to visitors to our parliament who come here under the auspices of other parliaments to visit in an official capacity as parliamentarians.

I have been in this House since 1972. There are some in this Chamber who were in the House before that time. Some were here a long time before that time. Some have been here only since 1974. As a Canadian, I am very proud to be a member of this parliament. I know that all members in this House are proud to be members of parliament. Whether we sit here for a long time or a short time depends on a number of factors, but we are all of us proud to be members of parliament. We are proud of these buildings.

We are proud of the traditions which are part of this institution. It is an institution which is changing, but I do not think it is too much to suggest that we could exhibit that pride by some striking medallion which could be presented in the way I suggested, and under the auspices which I suggested, and which would be a visible reminder to our visitors, a visible reminder to our hosts, of our pride in this institution. I hope this idea will gain support from members on both sides of the House of Commons and in all parties and that Your Honour would convey my feelings to the Speaker of the House of Commons and that he, in turn, would convey them to the Speaker of the Senate.

I know we would have to examine the technical details and a host of other things, but in principle I believe it is important that we exhibit as members of parliament, in the broad sense in which we use the word parliament, our pride in belonging to this institution, our pride in taking part, for a long time or a short time, in the national life, and participating in debates in this place. And given the fact there is a certain importance attached to this authorized travel, in having the world understand our country, and in understanding the rest of the world and people in other parts of the world who are engaged in exactly the same practices, people who are now, hopefully, under free and democratic parliaments, but perhaps even some who are not so free and democratic, we should adopt this bill being put forward by the hon. member today, and consider in the long term sending a message to the Speakers of both Houses asking them to study my suggestion in consultation with the House leaders. I think this is a very important thing.

I hope I have not impinged on the courtesy of the hon. member in discussing his bill and that he will not feel hurt that I import this into a speech, but I want to congratulate him on bringing forward his bill and let him know he has my support.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when the sponsor of the bill first started to speak I cautioned him not to talk it out, and I can assure him I have no intention of doing so either.

As I looked at the bill I was reminded of the fact that as members of parliament we do learn about most of the things that are wrong in this country, the social ills and all the things that plague and bother our people. I have to confess, though, that I had never heard of this one, so it is nice to be participating this afternoon in action to correct a social evil even if I did not know it existed. I understand that the hon. member for Grenville-Carleton (Mr. Baker) knew about it. He said he had heard of it because one of his colleagues had presented a similar bill. Maybe I had not heard about it because no one had informed me about this legislation. Nevertheless, the Parliamentary Secretary to the Minister of

Finance (Mr. Kaplan) made a good case for it, and I am happy to know that even on his side of the House there will be no talking out but that the bill will be given second reading and sent to the Standing Committee on Justice and Legal Affairs.

The next part of my speech I really should not take the time of the House to make, because it is really a carbon copy of the speech made by the House leader of the official opposition.

● (1620)

Mr. Dionne (Northumberland-Miramichi): Why don't you table it?

Mr. Knowles (Winnipeg North Centre): My hon. friend, who was not here yesterday, for which I am very grateful—I did get a motion through under Standing Order 43 in his absence—does not realize that private members cannot table anything. Therefore if I have an idea that I want to present, unfortunately my hon. friend has to listen to me. I simply want to support the position taken by the hon. member for Grenville-Carleton that private members' hour is an important hour. Although some of us feel it is important even if all we can do is to press ideas year after year until we finally win their acceptance, it also helps to establish the importance of the hour if every once in a while a good idea which has been brought in by a member on either side of the House is accepted.

Perhaps it is time we added up the score to see what has happened in this session. I think the number of bills which have been allowed to go to committee is adding up a bit, but I cannot recall that any of those that got through came from this side of the House.

Mr. Landers: Yes, one from the hon. member for Lotbinière (Mr. Fortin) two months ago.

Mr. Knowles (Winnipeg North Centre): Was that a bill or a motion under Standing Order 43? Yes, my hon. friend is right, it was a bill. Then that is good. So the score must be about five or six for the Liberals, one for the Social Credit, none for the Conservatives, and none for the most important party in the House, the New Democratic Party. One of these days perhaps we had better take steps to bring the score a little more into line with the proportions of the seats we hold in the House.

Having said that, I emphasize the point made by the hon. member for Grenville-Carleton that what really should count is the merit of the idea, no matter where it comes from.

Mr. Dionne (Northumberland-Miramichi): You get more 43's.

Mr. Knowles (Winnipeg North Centre): The hon. member for Grenville-Carleton had three parts to his speech. I have joined with him in the first part. I have offered a carbon copy of the second part, and I just want to say that I enjoyed the third part of his speech. In particular I enjoyed the way he stood up and expressed his pride in the heritage that we have in this country. I wish to goodness that my friend and his friends would let us express that pride by letting the bill for Heritage Day pass.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Bring on the bill.

Mr. Mike Landers (Parliamentary Secretary to Minister of Justice): Mr. Speaker, before I commence, the hon. member for Northumberland-Miramichi (Mr. Dionne) has suggested that a medallion to commemorate the second 100 years in the House of Commons of the hon. member for Winnipeg North Centre (Mr. Knowles) should be struck! However, the problem he and I were both faced with was: what type of material should the medallion be made of?

Mr. Knowles (Winnipeg North Centre): The problem is that the hon. member might not be here.

Mr. Landers: Hopefully I will not be. Hopefully I will be in the House of Commons in another place. Before entering into a discussion on the merits of Bill C-256, I would like to take this opportunity to congratulate my seatmate, the hon. member for York Centre and the Parliamentary Secretary to the Minister of Finance (Mr. Kaplan) for his initiative on behalf of numismatists and other coin collectors who have been defrauded in the past. At present the Criminal Code definition of counterfeit money does not include numismatic counterfeits. This is so because section 406 as it relates to coins requires that the coin in question be "current". "Current" means that the coins must be lawful currency in Canada or elsewhere by virtue of a law, proclamation or regulation in force in Canada or elsewhere, as the case may be.

Section 406(a) provides that a false coin is counterfeit if it resembles or is intended to resemble a current coin. The numismatic coins that the proposed amendment is designed to cover do not resemble "current" coins. They are designed to resemble genuine rare coins that may have been current at one time but no longer are. In fact it has been argued that the "fake" numismatic coins are not false in that they have as much if not more gold, silver or nickel content than the original coins have.

Section 406(e), likewise, does not apply. It provides that a coin cased with gold, silver or nickel is counterfeit if it is intended to resemble or pass for current gold, silver or nickel coin. Again, this section does not apply since the authentic numismatic coins are not current. The same reasoning applies to counterfeit paper notes. They must also be current.

There is no specific provision in the code to cover numismatic counterfeits. It may be that a criminal fraud or an obtaining by false pretence charge may be laid if the vendor of these coins or notes represents them to a purchaser as authentic. The Crown would be required to establish beyond a reasonable doubt that the vendor actually knew that the coins were not authentic. Subjective knowledge is extremely difficult to prove.

It clearly is not an offence if a person manufactures a replica coin or note that is not current.

Numismatic Counterfeits

The Acting Speaker (Mr. Ethier): Order. The hon. member for Athabasca is seeking the floor on a point of order.

Mr. Yewchuk: Mr. Speaker, I want to bring to the attention of the hon. member who is speaking rule 144 of Beauchesne. It deals with the matter of addressing the House orally. I should like to quote this rule:

> It is a rule in both Houses of Parliament that a member must address the House orally, and not read from a written, previously prepared speech—

It seems to me, Mr. Speaker, that we have an example here of a total breakdown in the hon. member's ability to follow the rules of the House, and I should like to have that corrected.

The Acting Speaker (Mr. Ethier): The hon. member for Athabasca is quoting an authority which the Chair would not challenge. However, I have said this in the past, and even today I have seen people reading speeches. Nevertheless they have expressed themselves verbally without reading or quoting from notes. I hope the hon. member for Saint John-Lancaster (Mr. Landers) will speak in this way.

Mr. Landers: Thank you, Mr. Speaker. Actually I was quoting from a memo which I received from the Department of Justice, and in view of the fact that I am speaking on behalf of the Department of Justice I thought I should refer to notes occasionally. If I may continue quoting from my memo, it clearly is not an offence if a person manufactures a replica coin or note that is not current. However, if the word "copy" is not printed thereon, then this omission creates a temptation to deal with these items as being authentic. If the code were to be amended to prevent this temptation from arising, then the number of frauds involving counterfeit numismatic coins or notes should be substantially reduced.

Therefore, the Minister of Justice (Mr. Basford) recommends that the proposed amendment be supported as it is designed to correct this serious problem.

In view of the fact that my whip wants to catch a plane, I will now sit down.

[*Translation*]

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, I shall be very brief. Very seldom in this House can a private member's bill or motion reach that stage and be referred to the committee. I would like to answer quickly the hon. member for Grenville-Carleton (Mr. Baker) and tell him that I totally agree with what he said about the attitude of the House and of the members toward the private members' hour. Once again he was here himself.

The Committee on Procedure and Organization wanted to review the Standing Orders so as to give more substance to the concept of the private members' hour and so that a greater number of motions or bills can reach all the stages. This gives us something to think about. The private members' hour can be very important and, indeed, today's example shows that it can really be the case. We will have to study the amendments proposed by the Committee on Procedure and Organization. These are not final propositions, they are a matter for discussion, but I think once again that we should study this question and make the necessary improvements. I will not forget to throw the ball back to him saying simply that there should also be a change of attitude as far as the other hours we spend in the House are concerned, especially when the government introduces motions, and I hope that it will be the case.

[*English*]

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Knowles (Winnipeg North Centre): Five o'clock.

The Acting Speaker (Mr. Ethier): Is there unanimous consent to call it five o'clock?

Some hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. The hour appointed for the consideration of private members' business has expired. It being five o'clock, this House stands adjourned until 2 p.m. next Monday, pursuant to Standing Order 2(1).

At 4.33 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, February 14, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT

PROPOSED AMENDMENT TO PROVIDE ANNUAL ESCALATION OF PENSIONS OF MEMBERS OF ARMED FORCES AND MOUNTED POLICE—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, because this is an urgent matter I ask leave under the provisions of Standing Order 43, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom) to move:

That this House urges the President of the Treasury Board to introduce at an early date the necessary amendments to the Supplementary Retirement Benefits Act so that retired Canadian Armed Forces and Royal Canadian Mounted Police personnel will have their pensions escalated annually, in accordance with the rise in the cost of living, commencing in the year following the year of retirement, regardless of age, thus ending the unfair discrimination which applies to many such personnel.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House before such a motion can be put. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

GOVERNMENT ADMINISTRATION

REQUEST FOR EXPLANATION OF USE OF GOVERNMENT AIRCRAFT BY MINISTER OF TRANSPORT—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the Prime Minister (Mr. Trudeau) informed the House that the guidelines concerning the use of aircraft by cabinet ministers are sufficient. However, a number of Saskatchewan people have voiced their concern about a recent flight by the Minister of Transport (Mr. Lang). I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House ask the Minister of Transport to make a statement on motions explaining why on Saturday, February 5, he used a government aircraft to fly out to Regina to attend a Liberal curling bonspiel and social at Milestone, sponsored by the Assiniboia Federal Liberal Association.

Some hon. Members: Oh!

Mr. Speaker: Consideration of such a motion pursuant to Standing Order 43 can only be made with unanimous consent.

Some hon. Members: No.

* * *

ABORTION

CONDEMNATION OF CERTAIN MUNICIPAL TRANSIT SYSTEMS FOR REFUSAL TO ACCEPT ADVERTISEMENT OF ANTI-ABORTION GROUPS—MOTION UNDER S.O. 43

Mr. J. Larry Condon (Middlesex-London-Lambton): Mr. Speaker, pursuant to Standing Order 43, I rise on a matter of pressing and urgent necessity, namely the banning by the Public transit systems of Toronto, Ottawa and Vancouver of an advertisement supporting the anti-abortion group known as Valade Vitae Service of Winnipeg which depicts a pregnant woman in an advertisement protesting the killing of 172,265 babies by abortion between 1970 and 1974. This responsible and legitimate message asking the Canadian people to respect the rights of babies is being denied by certain individuals in these transit systems who feel the issue is too controversial.

I therefore move, seconded by the hon. member for York South (Mrs. Appolloni):

● (1410)

That this House condemns the censorship imposed on this anti-abortion group, and that a committee of the House of Commons investigate the blatant infringement on civil liberties.

Mr. Speaker: Under the provisions of Standing Order 43 such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. CLÉMENT RICHARD, SPEAKER OF QUEBEC LEGISLATIVE ASSEMBLY

Mr. Speaker: Order, please. Before proceeding with the oral question period, I have the honour to bring to the attention of hon. members the presence in our gallery of a very distinguished guest who has already become a dear colleague and a friend, and I am sure all hon. members want to join me in wishing him good luck and extending our congratulations to

the new Speaker of the Quebec Legislative Assembly, Mr. Clément Richard.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

GOVERNMENT ADMINISTRATION

INFORMING DIRECTORS OF CROWN CORPORATIONS OF RESPONSIBILITIES—GOVERNMENT ACTION

Mr. James Gillies (Don Valley): Mr. Speaker, I have a question for the right hon. Prime Minister. It arises out of the continuing discussion on rules governing Crown corporations. Given the fact that it seems that one of the major reasons for some of the great difficulties in which Crown corporations are now finding themselves is that boards of directors are not fulfilling their obligations as well as they might, does the government plan to inform all directors whom they appoint to Crown corporations that they have responsibilities to fulfil as least as great as those specified under the Canadian Corporations Act?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must confess that I have no knowledge that we are acting in that direction, but it seems to be a very valid suggestion. I have ascertained that the ministers have informed the Crown corporations for which they are responsible, first under schedule B and later under the other schedule of the Financial Administration Act. But I do not know whether or not they have also informed the members of the board of directors. I will inquire and if they have not, it would seem to me that they should take this suggestion very seriously.

* * *

POLYSAR

ACTION TO DISCIPLINE OFFICERS OF COMPANY—POSSIBILITY OTHER CANADIAN COMPANIES INVOLVED IN OPERATION IN SWITZERLAND

Mr. James Gillies (Don Valley): Can the Prime Minister tell us whether or not the government, as the principal shareholder of CDC, has asked its directors on the board to inform the management of Polysar or to inquire of them what action will be taken to discipline those officers of that company who were engaged in acts which may indeed be repugnant to the standards of corporate practice in Switzerland?

Right Hon. P. E. Trudeau (Prime Minister): I will be pleased to report this suggestion to the Minister of Finance who is the minister to whom CDC responds.

Mr. Gillies: Can the Prime Minister tell us whether or not it has been ascertained if any Canadian corporations or subsidiaries of Canadians corporations were involved—I am now referring to companies in the private sector—in the Polysar situation in Switzerland where it has been reported there were blocked currency deals and the avoidance of income tax? Where there any Canadian companies in Switzerland involved with Polysar in these deals?

Mr. Trudeau: I could not say, but I will certainly ask the Minister of Finance whether he has knowledge of it. It would seem to me that the committee chaired by the hon. member for Northumberland-Durham might ask this type of question of the officers involved.

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GOVERNMENT ADMINISTRATION

REQUEST FOR COMMITTEE STUDY OF ALL GOVERNMENT-CONTROLLED CORPORATIONS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is with respect to the Polysar matter and in view of the fact that the truth of the matter came to light not particularly as a result of effective government controls but rather from vague and random government processes, if even that.

Would the Prime Minister take steps to give the Public Accounts Committee the authority and the staff necessary to make a full investigation of all government controlled corporations, including the power to examine all board minutes, supply contracts and other like documents, which have been denied to the committee thus far in its investigation of the AECL matter? I ask that question particularly in view of the fact that in the cases of both Crown corporations which have been investigated by this committee thus far business practices have been revealed which charitably can only be described as slipshod.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not agree with the premises of the question. The House will recall that the action which was taken resulted in an assertion and statement being made by independent auditors and lawyers that there was nothing untoward in the actions of Polysar. It was only later that a subsequent inquiry came out with a contrary opinion, and perhaps the committee of the House will be trying to reconcile these two contradictory opinions.

As far as the suggestion of the hon. member is concerned, if it is just enjoining the committee to do everything it can to get to the bottom of this, I would support the desire of the hon. member. However, if he is suggesting that the committee be given special powers, and they are not within the traditions of our parliamentary system, I suggest that this is a matter for the House to decide. If the House wants to make a special reference to that committee, perhaps the hon. member can discuss that with the government House leader, with whom he has daily contact.

Mr. Baker (Grenville-Carleton): I want to thank the Prime Minister for his answer, particularly the latter part. In the

event an approach was made to the government House leader, could the House be assured that the kinds of matters which I have tried to describe, and which the Prime Minister has defined in his answer, would have the support of the Prime Minister? Would he, in fact, speak to his seatmate, the government House leader, so that parliament and the public could be assured that this committee would have the power necessary to make the fullest possible investigation of this kind of activity and, indeed, if necessary, other activities which could from time to time come to prominence?

Mr. Trudeau: In its very form the question is hypothetical, and my answer will also be hypothetical. If the proposals of the hon. member are in conformity with our parliamentary system, the government House leader would be open to his suggestions; but if they have the effect of changing the parliamentary system into a congressional one, it is possible the hon. member would have some difficulty convincing the government House leader.

POSSIBILITY OF INFORMING FOREIGN COUNTRIES OF WRONGFUL OPERATIONS OF CANADIAN COMPANIES IN THOSE COUNTRIES

Mr. Walter Baker (Grenville-Carleton): I think it ought to be clear to you, Mr. Speaker, and to hon. members that the intention is not to change the system but to make the parliamentary system somewhat more effective than it apparently is, judging by news reports with respect to the investigative capacity of the Public Accounts Committee.

However, leaving that aside for the moment, is the Prime Minister taking any steps to indicate his attitude to foreign companies and to foreign governments with respect to companies operating under Canadian aegis in those countries, particularly when, as has been established, there has been a kickback system operated in other countries and certain nationals in a certain country have benefited from the operation of a Canadian company abroad?

Right Hon. P. E. Trudeau (Prime Minister): At this point I do not see what representations the hon. member would suggest I make to foreign countries. I have stated quite clearly and unequivocally in the House that Canadian corporations, subsidiaries of Crown agencies and Crown corporations would have to act in conformity with the laws of Canada and the laws of the countries in which they are operating. Beyond that I am not quite sure what the hon. member would suggest I do.

* * *

COMBINES

THREAT OF BANKS TO TAKE ACTION AGAINST PROVISION FOR CALCULATING INTEREST—GOVERNMENT ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Consumer and Corporate Affairs. In view of the threat made last week by the Canadian Bankers' Association on behalf of the 12 chartered banks which are members of that association to take concerted retaliatory action if parliament passes a law requiring banks to pay interest on the money they receive from their depositors all the time they have it, is the minister requesting the officials in his department to investigate this matter under the Combines Investigation Act to see if the banks are acting in violation of the law against collusive action?

● (1420)

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I deprecate some of the comments made by the Canadian Bankers' Association at the standing committee because I believe they are attempting to exaggerate the problem in order to strengthen their case when they know full well their points are unjustified. I am advised that the provisions of the Bank Act concerning agreements between or among banks apply to banks in lieu of the Combines Investigation Act. Therefore, I understand the director of investigation and research has no authority to launch an investigation. I suggest to my hon. friend that he might better address his point to my colleague the Minister of Finance.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, perhaps because the Minister of Finance is not here today my friend would refer that comment to him. As a supplementary question may I ask if the government is firm in its intention to proceed with this legislation and will not be backed down by the intimidation of the Canadian Bankers' Association?

Mr. Abbott: Mr. Speaker, the government and myself are certainly determined to proceed with this legislation. The Canadian Bankers' Association's principal point was that they could not afford interest being calculated on a daily basis. At no time have I stated that this would be the case; the bill does not state this and they have been assured that we are sympathetic to the point that remote branches that do not have computer facilities would find this burdensome. That is why I suggest they are utilizing this point in their brief to cause wide alarm in the community. It is both unjustified and inappropriate.

Some hon. Members: Hear, hear!

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BANK ACT

DATE WHEN LEGISLATION PRESENTED TO HOUSE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as a final supplementary and in the absence of the Minister of Finance perhaps I may put it to the Minister of Consumer and Corporate Affairs in his capacity as second Acting Minister of Finance. In view of the delays that have already occurred can we be told when the government will bring the new Bank Act before parliament?

Hon. A. C. Abbott (Acting Minister of Finance): No, Mr. Speaker, I cannot answer that.

* * *

MANPOWER

ALLEGATION 300,000 UNEMPLOYED OMITTED FROM STATISTICS—REQUEST FOR INVESTIGATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is for the Minister of Manpower and Immigration. I should like to bring to his attention something which I am sure has been brought to his attention already by his officials, namely, an article under date of Saturday, February 12, in the Toronto *Star* and I quote in part, " . . . unpublished figures leaked to New Democratic Party by Statistics Canada show the number of hidden jobless is at least 300,000." This makes the unemployed now in the neighbourhood of one million with an unemployment rate of some 11 per cent. Has the minister caused an investigation to be made as to the truth of the allegation regarding this leak? If not, I hope he will. Will he also advise the House why Statistics Canada found it necessary to hide some 300,000 people who should have been in the statistics relating to unemployment?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, if I have heard any complaints about Statistics Canada it is that they give out too many figures rather than too few. This may be a pet project of an individual. It is all a question of how these figures are used, what their import is and why those in a particular category over a period of time are not in the labour force. There is no attempt to talk about hidden unemployment. I will be making a comment on this in a major address next week. It is a little difficult in the time given in the question period to deal with all the misinformation spread about these particular figures.

An hon. Member: Do it on motions.

Mr. Alexander: Mr. Speaker, the minister still has not answered my question which is: will he cause investigation to be made to ascertain whether there is any truth in the leaking of those figures to the New Democratic Party? As a supplementary question, would the minister take it upon himself to advise Statistics Canada, and the ministers responsible, that the hidden jobless should also be included in the statistics issued periodically regarding unemployment in order that we may have a true picture of the unemployment rate in Canada?

Mr. Cullen: Mr. Speaker, the reason for the figures, why they are put out and what programs they are based on, have been spelled out over and over again. There is no need for anyone at Statistics Canada or anywhere else to leak figures. They are all a matter of a comprehensive review which covers a myriad of information that is available to all members of the House. I am not so much interested in the fact that there are so many; I want to do something about getting the number reduced.

[Mr. Knowles (Winnipeg North Centre).]

CANADA WORKS PROGRAM—REQUEST FOR REVIEW OF CRITERIA ON WHICH ALLOCATION OF FUNDS BASED

Mr. Lincoln M. Alexander (Hamilton West): A final supplementary question, Mr. Speaker. I hope the minister will not ignore my main question. Will he cause an investigation to be made, to determine if there is any truth to the allegation made by the Toronto *Star*? I shall now ask my final supplementary question. Since certain criteria placed before this House and the people of Canada regarding the Canada Works and Young Canada Works programs is based on old statistics relating to the unemployed, will the minister now review the criteria relating to the unemployed and moneys going to high unemployment rate areas? I ask this in view of new findings which apparently cannot be questioned. Actually, it has been suggested that the figures prepared by Statistics Canada show that over one million people are unemployed and that the true national unemployment rate is approximately 11 per cent. Will he review the criteria with respect to the Canada Works and Young Canada Works programs?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, the hon. member is saying, "me too," and aiding and abetting the misinformation and garbage being spread by the leader of the New Democratic Party. I again commend to the hon. member a careful reading of my letter sent to every member of parliament, indicating the criteria being used in making allocations under the Canada Works and Young Canada Works programs. We indicated that where the labour force survey figure was lower than that for those registered on the unemployment insurance rolls, we used the higher of the two figures. We used this system to the particular advantage of the Atlantic provinces. I would think my hon. friend would have accepted that. If we are going to keep bandying these figures around without indicating why they are used and what their base is, I think we shall be spreading a kind of mischievousness around the country which is not warranted. Mr. Speaker, the use of those figures reminds one of the reason for "Con" in "Conservative."

Some hon. Members: Oh, oh!

Mr. Alexander: You had better hurry up and make that statement, for there is lots of hanky-panky going on on the government side.

Some hon. Members: Hear, hear!

An hon. Member: There is "libel" in Liberal.

PROGRAMS TO CREATE JOBS FOR THOSE NOT INCLUDED IN UNEMPLOYMENT STATISTICS

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. Notwithstanding the minister's flippant attitude in this House, one must assume that he is concerned. I wish he would express that concern by telling the House what programs he proposes to create jobs for this hidden list of the unemployed. I say this since in my own province, for example, it stands at 28,000 and in the province of Quebec at 139,000,

well over one third of the actual unreported job list. Now the minister tells us that his job creation program is based on Statistics Canada figures. I ask him, earnestly and sincerely, does he have under consideration at present extra programs to deal with this supplementary or unreported list of jobless?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, if I were basing my criteria on the figures indicated by the hon. member, a different series of criteria would be used across the country. As I indicated in my letter, the procedures we were using worked to the benefit of the hon. member's province; we did this rather than using the labour force survey which leaves out some of the people who are not shown on the unemployment insurance rolls and others listed in a particular area. It represents an increase of about 50 per cent, and the benefits all accrue to the hon. member's province. I would think he should look at my letter again and welcome the changes we have made, indicating that where the labour force survey in our view does not do an adequate job, we have used our own statistics for the betterment of, or at least for the purpose of making more money available, to areas of high unemployment.

UNEMPLOYMENT—POSSIBILITY OF MEETING WITH PREMIERS OF ATLANTIC PROVINCES

Mr. David MacDonald (Egmont): Mr. Speaker, may I put a supplementary question to the Minister of Manpower and Immigration? In view of his visit to the Atlantic provinces where he will discuss, presumably, just this question, and the suggestion of my colleague from St. John's East with respect to meetings with the four Atlantic premiers—I understand the premiers have indicated their willingness, indeed desire, to hold such a meeting—can the minister tell the House if a meeting has been arranged and where and under what circumstances it will take place?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I do not believe that a meeting has been arranged with the leaders at this particular time. It is a question of whether it is too soon to move into that particular region. However, I shall want to have a look at the suggestion, to see if something positive can come out of it, other than a mere show, by the Minister of Manpower and Immigration going down to see the premiers. I want to talk to people who perhaps can help me to create some jobs.

Mr. MacDonald (Egmont): A supplementary question, Mr. Speaker. I hope very much that the minister will have some specifics to discuss with the four provincial governments. I wonder if he could indicate to us what specific programs he has in mind, so that they can come prepared to discuss specific projects or programs which can be undertaken this winter. I ask this in view of the critical situation existing in all four Atlantic provinces and the necessity, as I am sure the minister agrees, for doing something over and above that which is currently contemplated in the Canada Works and Young Canada Works programs. I think he and all hon. members recognize that this is but the beginning of attempts to deal with that serious situation in that region.

• (1430)

Mr. Cullen: Mr. Speaker, there has never been any shortage of ideas or plans coming from the governments of any particular persuasion. They have the same concern that I have about the high rate of unemployment in that area. Where there are good ideas coming forward, I will do my best to find the funds to make them work.

* * *

ENERGY

STUDIES OF POSSIBLE SITES FOR HYDROELECTRIC PROJECTS IN LABRADOR—EXTENT OF GOVERNMENT ASSISTANCE

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The minister will recall stating publicly last year that he favoured the government of Canada helping financially with regard to detailed studies being done in Labrador in order to obtain more information on possible hydro sites that could be developed in Labrador. Is it correct that in September the province wrote the minister asking for financial assistance for a series of studies that would cost approximately $2 million to be carried out over approximately three years? If that is correct, is the minister in a position to say what assistance the government of Canada will give toward these studies which will cost $2 million over three years? Is the minister prepared to say now how much the government will contribute?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I can confirm, as the hon. member has stated, that we are looking at the possibility of providing funds for an inventory of hydro resources in Labrador. I am not in a position at the present moment to indicate what the amount might be. I hope to be able to make an announcement in the very near future.

Mr. Crosbie: Will the minister confirm or deny whether Treasury Board has already turned down the minister's request for $1 million, a 50 per cent contribution, and therefore the contribution will be zilch.

Mr. Gillespie: Mr. Speaker, I am not sure whether the last word was parliamentary. It may be a well-known Newfoundland expression. I can tell the hon. member that the matter is under active consideration. At the present time, there has been no veto with regard to the program he and I are talking about.

Oral Questions

SPORTS

GOVERNMENT PROGRAM FOR AMATEUR SPORT—REQUEST FOR REPORT

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a question for the minister in charge of sports and fitness. Given the gold medal successes last week of our swimmers and skaters, it seems a perfect time to ask our minister for sport for a report on where her plans are. Two weeks ago she told the anxious members of the Sports Federation that she would let them know very soon the federal plans for amateur sport for the next four years, that she was waiting for cabinet. What is happening in cabinet about sport?

Some hon. Members: Oh, oh!

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, in view of the hon. gentleman's prowess in the fitness test, I would like to wish him a Happy Valentine—

Some hon. Members: Hear, hear!

Mrs. Campagnolo: —and inform him that following the presentation of the estimates, I will be happy to answer his question in full.

* * *

ATOMIC ENERGY OF CANADA LIMITED

IDENTIFICATION OF AGENT OF ITALIMPIANTI—GOVERNMENT ACTION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question for the Prime Minister is supplementary to that asked by the hon. member for Grenville-Carleton with regard to examples of representations he might make. It relates to the singular lack of co-operation that the Public Accounts Committee has been getting from the government in its attempts to throw some light into the murky warrens where AECL does its business. In view of the fact that one solution to this Argentine puzzle lies in the hands of Lucien Secouri, President of Italimpianti, who has so far refused AECL's requests to identify the agent, will the Prime Minister make official representations to Italimpianti and, if necessary, the Italian government in order to obtain this information?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I take exception to the preamble to the question. The government has been co-operating. We have asked every minister to go to the Committee. They have answered to the extent of their knowledge. It is true there are things that are happening at the end of the line of the Crown corporations of which we do not have control or knowledge. We have urged the committee to seek to obtain as much as it can from officials and anyone who might be connected with the operation. The ministers themselves obviously have a clean bill of health. They have co-operated in every way. I think that the preamble is really justified. In so far as the request itself—

[Mr. Gillespie.]

An hon. Member: Come on, Pierre.

Mr. Trudeau: Would you like to answer the question? I see the member of the NDP open his hands in anguish. If the member could be present at the committee and get the committee to inquire into areas into which he might have great insight—he shakes his head—perhaps the committee would hear something more than a rattle.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: I am sorry the Prime Minister was diverted from answering my question. Will the Prime Minister allay the fears of those who might consider the lack of action on the part of government as being disinterest or, even worse, some sort of corroboration of the lack of activity in the investigation by simply informing, through the diplomatic channels, the Italian government and Italimpianti that we will not go any further in the partnership unless we receive the information requested by members on both sides of the House and the committee, regardless of which party?

Mr. Trudeau: Mr. Speaker, I answered a similar question just last week. I raised the question of whether it was proper to discuss in the House the proceedings of the committee until the committee had finished its report. The questions today substantiate that question mark. When we have a report from the committee, surely the government will then be able to be faced with a reasonable series of suggestions. In the meantime, this kind of second guessing of the committee is not only premature but unparliamentary.

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ABORTION

SUGGESTION MINISTER REQUEST BRIEFS FROM ANTI-ABORTION GROUPS

Mr. J. Larry Condon (Middlesex-London-Lambton): Mr. Speaker, I have a question for the Minister of Justice. It is my understanding that the Minister will be having a meeting in which a brief will be presented from the Planned Parenthood Federation of Canada, a known pro-abortion organization, on Thursday, February 17, in Toronto. If so, will the minister request briefs from the Alliance for Life or some other anti-abortion groups so that some balance may be obtained on this important issue?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. That is clearly a representation as opposed to a question.

WEIGHTS AND MEASURES

GOVERNMENT POSITION ON USE OF METRIC SYSTEM FOR WEIGHING CATTLE

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. As this country proceeds into metric conversion, there is great concern among cattlemen in Canada. Can the minister advise whether he intends to convert the weights of cattle to metric and, if so, whether he will do that in conjunction with the United States because cattle trade is very much a North American market?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, this is an administrative matter which comes under the jurisdiction of the Minister of State (Small Businesses) who is concerned with the metric system. I shall be pleased to convey to him the hon. member's representations.

* * *

[*English*]

EXTERNAL AFFAIRS

ALLEGATION CUSO INSTRUMENT OF SEPARATIST PROPAGANDA IN QUEBEC—GOVERNMENT ACTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. What investigation is being made by his department in connection with the Canadian University Students Overseas (CUSO) organization respecting allegations that have been made by most responsible authorities that that organization is an instrument of separatist propaganda in Quebec and, indeed, that the federally financed group have been sending pro-separatist recruiters into Quebec?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I have not personally heard of that specific allegation. From time to time there have been news reports to the effect that some people in non-governmental organizations which receive some form of government support are acting in a way which some people regard as not being consistent with national unity. If the right hon. member will let me have this particular allegation, I will certainly have it investigated along with a number of others that have come to my attention.

Mr. Diefenbaker: Mr. Speaker, I am surprised that the minister, who is always up to date in connection with his department, is not aware of the fact that Dr. Arnold Smith, C.H., who for 11 years was Secretary-General of the Commonwealth and is now a professor of international affairs at Carleton University, made the statement, and I repeat it, that the federally financed group, not ancillary groups but members of CUSO, have been sending pro-separatist recruiters into Quebec. Does the minister tell me that the matter is apparently so well known that persons like Mr. Smith, who has universal approbation in all parts of the Commonwealth, does not know what he is talking about? And if he does, why is it that the minister is in a position where no one has even whispered this to him?

• (1440)

Mr. Jamieson: Well, Mr. Speaker, it really is not a question of whispering or saying it out loud; it is a particular allegation. I said that I had heard other ones. The first question the right hon. member asked did not include the name of Dr. Smith. Had it done so, of course, I would have realized that he was one of the sources from which this kind of criticism has come. I am looking into this whole question of whether or not there are those who are being, in one way or another, financed by federal funds, by taxpayers' funds from the whole of Canada, and whether they are in fact contributing to what the right hon. member has called the "separatist cause". Certainly, this one I will add to the list if it is not already there.

In so far as penetration of Quebec, or infiltration into Quebec, is concerned, that could scarcely at the moment be called an external affairs matter, and my feeling is that it will be a heck of a long time before it is.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: A final supplementary question, Mr. Speaker. The minister has a masterful capacity for evasiveness. He is in charge of CUSO and external affairs. He now says that he has been looking into some allegations. What are those allegations, how many have been made, and when did the investigations start which he now recalls and did not have in mind a little while ago when I first asked the question?

Mr. Jamieson: Mr. Speaker, I may be the master of evasion but the right hon. member is as sure as heck the master of a convoluted kind of question which bears no relation to the one he first asks. I should just like to say, in fairness, that I think the right hon. member would realize that CUSO is in fact a private or semi-private organization—

Mr. Diefenbaker: Under the minister.

Mr. Jamieson: No, sir, not under the minister. It is an organization to which we give a good deal of support, but it is not an organization which acts responsibly in terms of responding or coming to the minister concerned. It is an organization which has a good deal of independence. But that does not detract from the seriousness of the right hon. member's question. I have told him that I will follow through and he knows I will look into it and give him an answer.

* * *

ENERGY

MACKENZIE VALLEY PIPELINE—FINANCIAL GUARANTEES TO ARCTIC GAS—POSSIBLE REPRESENTATIONS FROM UNITED STATES

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In

view of the fact that the Arctic gas consortium have not yet formally requested financial guarantees from the government on cost overruns on the proposed Mackenzie valley pipeline, but have indicated before regulatory bodies that they require such guarantees and formal requests will soon be made, may I ask the minister if the Canadian government has received representations from the United States government on the question of financial guarantees by Canada, especially in view of the United States Treasury Department's negative reaction to such U.S. government guarantees for cost overruns?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I want to give as comprehensive and accurate an answer as I can. I have just checked with my colleague the Secretary of State for External Affairs. To our knowledge there has been no representation made by the United States government.

MACKENZIE VALLEY PIPELINE—ALLEGED THREAT BY COMPANIES TO REDUCE EXPLORATION IF PIPELINE NOT APPROVED

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, may I put a supplementary question to the minister on the same matter. Given the threats by certain oil companies in Canada that they will cut back oil and gas exploration in the western Arctic if the government does not approve the Mackenzie valley pipeline, will the minister assure the House that the government of Canada will not bow to these blackmail tactics when deciding whether or not this pipeline should be built, and if necessary cancel the exploration permits of the companies employing such tactics?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I believe the hon. member is imputing certain motives which it is far from clear at the present time do exist when he refers to blackmail efforts on the part of the oil companies. I should like to reassure the hon. member that if a decision is taken, whatever the decision may be, with respect to the Mackenzie valley pipeline or any other pipeline, that decision will be taken with the national interest in mind. I have made it clear on previous occasions that the federal government will not be blackmailed or put itself into the position of being blackmailed by any group.

* * *

[*Translation*]

INCOME TAX

POSSIBILITY OF USING MOUNTED POLICE TO ASCERTAIN PEOPLE WHO DEFRAUD THE DEPARTMENT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I want to put a question to the Minister of National Revenue.

Last week the Minister of Finance apparently said, regarding certain loopholes of the RHOSP's and RRSP's, that some taxpayers managed to avoid paying millions of dollars in taxes by taking advantage of weaknesses in the law. My question is this: Does the Minister of National Revenue intend to request the services of the RCMP to investigate this, as her predecessor used them to investigate some loopholes in Bill C-203 concerning contributions by individual taxpayers to electoral funds?

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, first I would like to ask the hon. member if he is a great one for telling tall stories since I never had any indication whatsoever that millions of dollars of alleged fiscal frauds, as he said, have been made possible through RHOP's or RRSP's. As for using the RCMP to build evidence, we do so only in cases of extreme necessity, mostly to complete records already established by our investigators. It was never brought to my attention that fiscal frauds have arisen out of RHOP's but as far as other plans are concerned we have noticed some behaviour patterns which suggest possible frauds. In those cases, my administrators do their best to reject claims from taxpayers who try to beat the system.

Mr. Lambert (Bellechasse): Mr. Speaker, on a supplementary.

To reassure the minister, let me say first of all that I am not from Marseilles but from Quebec, and I am a Canadain right through and through. Just the same, I appreciate the tone of the answer of the minister: it indicates a state of mind that I admire very much because it reveals a will to get to the bottom of things. Here is my supplementary: first, the statement I quoted was not made by the hon. member for Bellechasse but by the Minister of Finance (Mr. Macdonald) who complained that some taxpayers take advantage of the loopholes in the legislation to avoid paying millions of dollars in income tax. He did not say dollars but millions of dollars.

In view of the seriousness of the matter, and so that all taxpayers may be treated fairly, my question is very clear and I make it even more specific: does Revenue Canada, whose responsibility it is to collect taxes, when it discovers loopholes in an act and realizes that taxpayers are using them to avoid paying millions of dollars in taxes, as the Minister of National Revenue (Miss Bégin) said—I put the question and put it again—

Mr. Speaker: Order, please.

Mr. Lambert (Bellechasse): My question, Mr. Speaker—

Mr. Speaker: Order. If the hon. member for Bellechasse (Mr. Lambert) has a question to put, he must put it immediately.

Mr. Lambert (Bellechasse): I realize once again that the Chair has a perfect sense of justice. Here is my supplementary: I should like to know whether the Minister of National Revenue will undertake investigations, with the cooperation of the Royal Canadian Mounted Police, to find out whether the assertions of the Minister of Finance are really founded, and will those taxpayers be sued exactly as others were who took advantage of Bill C-203?

Miss Bégin: Mr. Speaker, my department and I never sue people who take advantage of the law; we sue those who fail to respect it; that is the first point I want to make. Second, in order to try to unravel the intricacies of this long question, I shall assure the hon. member that I will have a summit meeting with my colleague the Minister of Finance as soon as he is back in the House, to determine whether he did say what is reported.

I shall add that according to the information I have been given—I repeat—relating to registered retirement savings plans, a pattern of operation leading to fiscal evasion is known to us, and we do not accept such cases which are proposed by taxpayers every year at this time. For the moment, I do not know of any other cases that would call for changes in the law, and I will consider such changes only when the ambiguity will be so great that the interpretation could turn in favour of the taxpayers against the intent of the legislators.

* * *

● (1450)

[*English*]

AIRPORTS

PICKERING—GOVERNMENT INTENTIONS WITH REGARD TO CONSTRUCTION—POSSIBILITY OF DIVERTING FUNDS TO AID COMMUTERS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Transport. As figures released by Transport Canada indicate there has been little or no growth in Toronto air traffic over the past two years—in fact, last year there was an apparent decrease in traffic at Malton—and as the minister himself admitted last week that air traffic is declining throughout North America, would he now tell the House whether the government is still intent on saddling Canada with a white elephant airport at Pickering, a gift which, judging from the government's sad performance at Mirabel, where a deficit of $47 million was run up in the first year of operation, is not needed.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the hon. member has once again put together a great number of inaccurate statements. What I said last week, I believe, had to do with air traffic failing to achieve projected levels, which is quite different from saying there were significant downturns. I also believe, without checking the figures—I do not have them in front of me—that the hon. member is looking at part of the figures of air traffic in Toronto, not at all of them, for instance, scheduled and chartered flights. I would be glad to make those figures available. Of course, our basic objective, one with which I would have thought the hon. member might have some sympathy, is to try, in all modes of transportation, to provide effective means of transportation for the people of Toronto.

Mr. Stevens: Mr. Speaker, since there is a very serious question as to the need for Pickering airport, would the minister tell us whether he has been apprised of the fact that there is severe commuter traffic congestion, especially on trains commuting into the Toronto area, and that $57 million is needed very urgently to relieve congestion in the Toronto shunting yard alone. If the minister is aware of this, would he give consideration to routing some of the funds earmarked for Pickering to help relieve this congestion?

Mr. Speaker: That is just as clearly a representation as the one made by the hon. member for Middlesex-London-Lambton.

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NATIONAL DEFENCE

REQUEST THAT MINISTER VISIT EDMONTON TO EXPLAIN RELOCATION OF AIRBORNE REGIMENT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of National Defence. About a month ago I asked the minister whether he would accept an invitation to attend a meeting in Edmonton to give an explanation in military terms for the moving of the Canadian Airborne Regiment. That invitation was refused, but there was an indication that the Chief of Staff would be in Edmonton very shortly. He was in Edmonton, but he said nothing and refused to see anyone. I am again extending the invitation to the minister. Would he come to Edmonton to give the military reasoning and the cost-benefit analysis related to the movement of the regiment without any equivocation?

Mr. Speaker: That, too, is a representation.

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EXTERNAL AFFAIRS

WEST COAST TANKER PORT—GOVERNMENT ACTION TO ASSURE BEST SITE CHOSEN

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Can he assure us that the west coast tanker policy co-ordinating group, whose chairman is, I believe, from his department, has been given terms of reference sufficiently wide to enable it to undertake a comparison between the environmental impact, over-all benefit and cost of a tanker port at Kitimat, or Port Angeles, or, preferably some port out on the Pacific such as Gray's Harbour or Neah Bay, so that the best site might be chosen?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I would have to look at the terms of reference. I would be glad to do that overnight. From the briefings I have received and the answers I gave in the House on Friday, it would seem that the committee is empowered to consider all these questions but without any specific commitment by Canada that it would opt for one alternative or another.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, would the minister tell us what plans are in hand to co-ordinate the efforts of this Canadian committee with its United States homologue so that a close study might be carried on the potential port facilities on the west coast and that we will manage in the end to keep these tankers out of the Straits of Juan de Fuca and out of Kitimat?

Mr. Jamieson: Here again, I would ask the hon. member's indulgence to find out precisely what the possible linkage of these two organizations might be, what it is at present and how it might be expanded. I will reply later.

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ENVIRONMENTAL AFFAIRS

WEST COAST TANKER PORT—NUMBER OF COMMITTEES INVESTIGATING SITES

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my supplementary is directed to the Minister of the Environment. Are the two committees just referred to, one a Canadian committee the other an American, the same as the Termpol Advisory Committee, and, if not, is the Termpol Advisory Committee operating on its own? And is the minister considering a fourth possible committee, namely an environmental assessment committee within his own department?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, they are not the same committee.

Mr. Jarvis: Mr. Speaker, there are now three committees, one Canadian and two United States committees. Is there any truth in the report that there is a fourth committee, namely a committee of the Department of the Environment to look into the environmental effect of tanker traffic?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, the Department of the Environment is asked to make an assessment of the environmental impact when firm proposals are brought forward.

* * *

TRADE

GUIDELINES TO COMPANIES WITH REGARD TO INTERNATIONAL BOYCOTTS—REQUEST FOR EXPLANATION

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Recently, the deputy minister of Industry, Trade and Commerce issued guidelines to implement the measures the government said, in its statement of October 21, it would be taking to carry out its policy regarding international boycotts such as the Arab boycott. The statement said in part that "all Canadian firms . . . would be required to report instances of their complying with boycott provisions and that such reports would be made available to the public". Can the minister explain why, as it would appear from the text of the guidelines, the government will be doing less than it said it would do in its statement of October 21, and will be reporting only those companies complying with the boycott which approach the government to request assistance from it for transactions involving such boycotts and not those companies which do not require its assistance for their transactions?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I think the guidelines issued by my deputy minister are perfectly consistent with the government's decision whereby any person required to go along with the Arab boycott should inform us about it and we would make this demand or this agreement public. But in any case, I shall compare the cabinet's decision with my deputy minister's guidelines to ensure that the guidelines do reflect the cabinet's decision.

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● (1500)

[*English*]

GRAIN

WHEAT—EFFORTS TO NEGOTIATE INTERNATIONAL AGREEMENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister in charge of the Canadian Wheat Board. In 1976, prairie farm income fell by around 25 per cent and a similar drop is anticipated by many farmers in 1977, in large part because of international wheat prices. Can the minister tell the House what he is doing in that respect and what progress he has made toward helping negotiate a new international wheat agreement for which many farmers on the prairies are calling?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we have maintained a constant position in international discussions in favour of the grains arrangement. There has been little positive support from certain key quarters, but we are continuing to pursue the question and will certainly be glad to work towards an international arrangement, if possible. The hon. member might also recognize that the Western Grain Stabilization Plan has been put in place which will be of great assistance to the grain farmer.

* * *

TRADE

TEXTILE IMPORT QUOTAS—REQUEST FOR EXEMPTION FOR SMALL BUSINESSES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the fact that thousands of small and specialty apparel shops across Canada are on the verge of

extinction as a result of having to comply with the government's quotas on textiles, which it is agreed are necessary for larger textile manufacturers, can the minister appease the many concerns—including those of the Minister of State for Small Business—and take the necessary steps to exempt these small shops from the quotas?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not in a position to do this because I do not see why we should make a distinction. We allotted a special quota to new businesses established since 1975 to take particular circumstances in consideration but I do not think that it is possible to exempt everybody while maintaining a sound policy for the textile industry.

* * *

[*English*]

INCOME TAX

POSSIBILITY OF CHANGE IN TREATMENT OF REVENUE EARNED BY INDIAN BANDS—GOVERNMENT POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Minister of National Revenue. For many years, revenue earned by certain Indian bands has been treated in the same way as revenue to Canadian municipalities so far as taxes are concerned. Can the minister advise us whether this situation is being changed and, if so, why?

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, I am not sure of the premise of the question, but I will look into the matter. I can inform the House now that I will be meeting with the minister responsible and representives of the Indians tomorrow morning.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point of order. In these days when misdemeanours of Canada's young people make instant nationwide news and bring Canada's youth into unfortunate disrepute, and when questions are being asked about where Canada's youth is heading, I rise on this point of order to indicate to the House how refreshing and reassuring it is to learn of a youth movement dedicated to serving those less fortunate than themselves—

Mr. Speaker: Order, please. I have difficulty in relating what the hon. member is saying to a point of order having to do with today's business. If the hon. member can relate it to a point of order, he may continue.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, this is merely to recognize the presence in the gallery of all those who provided to members of the House the golly-gobbles made by members of the Canadian Pro-Life Organization, represented in both galleries this afternoon, by the Ottawa-Hull chapter of that organization.

Some hon. Members: Hear, hear!

Mr. MacKay: Mr. Speaker, this is a very brief point of order which I would like to bring again to the attention of the Parliamentary Secretary to the President of the Privy Council. As answers to my questions on Statistics Canada have not yet been provided, perhaps he could leak some of these answers to their proper place on the order paper.

Some hon. Members: Oh, oh!

ROUTINE PROCEEDINGS

[*English*]

PETITION

CONTEMPLATED INCREASES IN SHELTER AND UTILITY CHARGES AT CFB, GAGETOWN

Mr. Howie: Mr. Speaker, I hereby present a petition relating to contemplated increases in shelter and utility charges at CFB, Gagetown. The petition is signed by 1,100 residents of the town of Oromocto in the province of New Brunswick and recites certain allegations and inequities. The petitioners pray that this House provide such remedy as the House may determine.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,309, 1,341, 1,353, 1,364, 1,399, 1,469 and 1,605.

[*Text*]

AGREEMENTS WITH PROVINCES ON LEGAL AID AND GOVERNMENT'S CONTRIBUTION

Question No. 1,309—**Mr. Woolliams:**

Does the government have an agreement with the provinces to provide assistance for the provision of legal aid and is the government's contribution 90 per cent of costs in relation to criminal cases and, if so, what amount has (a) been paid to the provinces to date (b) each province received?

Hon. Ron Basford (Minister of Justice): Yes, the Attorney General of Canada, on behalf of the government of Canada has signed agreements with the ten provinces and the Northwest Territories to provide assistance for the provision of legal aid in these areas. The federal-provincial agreements cover services provided in relation to federal criminal offences. The maximum federal contribution payable to the provinces is the lesser of 90 per cent of claimable expenditures or 50 cents per capita. The contributions are payable annually in arrears. Revised agreements, applicable to 1977/78 payments in respect of 1976/77 provincial expenditures, provide for

increased federal contributions of the lesser of 90 per cent of claimable expenditures or 75 cents per capita. The agreement in effect with the Northwest Territories now provides for a federal contribution of 50 per cent of both criminal and civil legal aid costs up to a maximum of $70,000 per fiscal year. Payments are also made annually in arrears. Part (a) $26,418,000 has been paid to the ten provinces and the Northwest Territories to December 10, 1976.

Part (b)

Province or Territory	Amounts
British Columbia (January 1, 1973)*	$ 2,637,000
Alberta (January 1, 1973)*	1,498,000
Saskatchewan (April 15, 1974)*	403,000
Manitoba (January 1, 1973)*	1,092,000
Ontario (January 1, 1973)*	13,107,000
Quebec (January 1, 1973)*	5,300,000
New Brunswick (January 1, 1973)*	1,013,000
Prince Edward Island (October 1, 1973)*	117,000
Nova Scotia (January 1, 1973)*	820,000
Newfoundland (January 1, 1973)*	249,000
Northwest Territories (August 17, 1971)*	182,000
Total	$26,418,000

*Effective date of agreement

AMENDMENTS TO RDIA—TYPES OF INCENTIVES

Question No. 1,341—**Mr. MacDonald (Egmont):**

1. Is DREE aware of the comment made in a study by Professor Dudley of the University of Ottawa, that under RDIA as it is now constituted "... there is relatively little reason to believe that the relocation incentive desired from the program has been effective"?

2. In view of the many types of incentives to locate in underdeveloped regions offered to firms throughout the OECD nations, is DREE giving consideration to amending RDIA to provide its offices with a more flexible mix of incentives to offer to potential clients?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 1. Yes, DREE is aware of the comment. The department provided both information and financial assistance to Professor Dudley for his study but his conclusions are, of course, his own.

2. The department is continually giving consideration to possible amendments to the Regional Development Incentives Act which might improve the effectiveness of the program.

NATIONAL DEFENCE—AIRCRAFT CF-104S, CF-101S, CF-5S

Question No. 1,353—**Mr. McKinnon:**

1. As of December 15, 1976, how many (a) CF-101s (b) CF-104s (c) CP Trackers will be fully operational?

2. In each case (a) how many (i) were originally purchased (ii) remain in inventory (iii) are in reserve (iv) hours of maintenance are needed per hour of flying (b) in what locations are they based (c) what are their roles?

3. As of December 15, 1976, how many (a) single seat (b) dual seat CF-5s will be fully operational?

4. In each case (a) how many (i) were originally purchased (ii) are still in inventory (iii) are in storage (iv) are in reserve (v) hours of maintenance per hour of flying time are needed (b) in what locations are they based (c) what are their roles?

Hon. Barney Danson (Minister of National Defence): 1. (a) Classified information. (b) Classified information. (c) Eighteen.

2. (a) (i) CF-101s, 66; CF-104s, 238; Trackers, 100; (ii) CF-101s, 59; CF-104s, 104; Trackers, 31; (iii) CF-101s, Classified information; CF-104s, Classified information; Trackers, 13; (iv) Classified information; (b) CF-101s, CFB Comox, BC; CFB Bagotville, Que; CFB Chatham, NB; CF-104s, CFB Cold Lake, Alta; 1 Canadian Air Group, West Germany; Trackers, CFB Shearwater, NS; CFB Comox, BC; (c) CF-101s, Air Sovereignty/Air Defence; CF-104s, Conventional Fighter/Bomber Attack; Trackers, Medium Range Sovereignty Patrol; Search and Rescue.

3. (a) and (b). Classified information.

4. (a)(i) CF5A, 89; CF5D, 44; (ii) CF5A, 64; CF5D, 41; (iii) CF5A, 18; CF5D, 11. (iv) and (v) Classified information. (b) CFB Cold Lake, Alberta; CFB Bagotville, Quebec. (c) Conventional Fighter/Bomber Attack; Day Visual Reconnaissance; Pilot Training (operational).

GRANT TO FRENCH LAW SCHOOL IN NEW BRUNSWICK

Question No. 1,364—**Mr. Jones:**

Has the government contributed, by loan or grant, toward a French-speaking law school in New Brunswick and, if so, in what amount?

Hon. John Roberts (Secretary of State): No such grant has been made at this time, however, the Department of the Secretary of State has been approached by the Maritime Provinces Higher Education Commission to consider as a special project under the Federal-Provincial Programme of bilingualism in education, financial assistance towards the establishment of a French Law Faculty at the University of Moncton. The matter is presently under consideration.

VETERANS AFFAIRS—REGIONAL OFFICE, ST. JOHN'S, NFLD.

Question No. 1,399—**Mr. Crosbie:**

1. (a) How many persons are employed in the regional office of the Department of Veterans Affairs in St. John's, Newfoundland (b) what functions are performed from that office?

2. (a) Has the Veterans Land Administration Office been transferred from the regional office in St. John's to Sydney, Nova Scotia (b) are the functions of that office, previously performed by an employee located in St. John's, now performed by a field worker who travels from Sydney to Newfoundland periodically and, if so, for what reason was the change made?

3. Has the Minister made any decision to re-establish a Veterans Land Administration Office in St. John's, staffed by an employee located in St. John's so that the administration of existing mortgages granted to veterans and approval of new loans to veterans for home improvement and repair can be given prompt and efficient attention at St. John's?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. (a) The Department maintains a District Office in St. John's, Newfoundland. The Treatment Services Program has a staff of 13 and the Veterans Services Program a staff of 39. (b) The Treatment Services Program provides eligible veterans with medical, dental and domiciliary care and provides grants and allowances, burial expenses and comforts to those who qualify, and administers the estates and properties of certain veterans. The Veterans Services Program looks after the social and economic wellbeing of veterans, specified civilians, their dependants and survivors pursuant to the various legislation administered by the department, including veterans established under the Veterans' Land Act.

2. (a) The Veterans Land Administration continues to have an office in St. John's, Newfoundland for interview purposes. (b) Yes. However, wherever it is considered practical, some Veterans Land Administration functions are performed by the staff of the Veterans Services Program of the Department located in St. John's, Newfoundland. This change was made following the retirement in October 1975, of the VLA field officer who was located in St. John's and subsequent to the March 31, 1975 deadline for veterans to apply for settlement under the Veterans' Land Act. There are only 400 veterans in Newfoundland who still have VLA purchase contracts and this number will continue to decline as the veterans repay their loans and receive titles to their properties. The workload associated with this declining number of accounts does not require the services of a full time VLA field officer with headquarters at St. John's and the current workload will be lighter still after March 31, 1977, which is the final date for veterans with subsisting VLA contracts to apply for additional loans.

3. No.

MARITIME POWER POOL

Question No. 1,469—**Mr. Howie:**

1. Have any plans been made regarding the regulation of interprovincial transmission of hydro-electric power in a possible Maritime power pool and, if so, what are they?

2. Does the government plan to assist in the setting-up and maintaining of a Maritime power pool and, if so, in what way?

Income Tax

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: 1. No.

2. A federal-provincial study is underway. This will develop recommendations for the most suitable mechanism for co-operation in the Maritime region in electrical energy supply and will include consideration of a Maritime Energy Corporation. A decision on the type of federal involvement will be taken after completion of this study.

ENERGY—HUMIDIFICATION AND DEHUMIDIFICATION SYSTEMS

Question No. 1,605—**Mr. Herbert:**

1. Does the Department of Energy, Mines and Resources have a publicity program to encourage greater use of humidification systems in winter and dehumidification systems in summer as a means of reducing the consumption of energy for heating and cooling?

2. Has the Department considered any program of financial assistance such as that provided for the insulation of homes in Prince Edward Island?

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: 1. Nil.

2. The Program in Prince Edward Island was prepared to offset the projected high electricity rates that result from complete dependence on imported oil for electrical generation. A similar offer has been made to Nova Scotia. Programs of this type are not under consideration for other provinces.

[*English*]

Mr. Goodale: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Translation*]

Mr. Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed, from Monday, February 7, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-22, to amend the statute law relating to income tax, be read the third time and to pass.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, last Monday I made a few remarks in the House regarding Bill C-22—

Some hon. Members: Order.

Mr. Rodriguez: —and since that time many things have happened. I think it is only fair that I declare a conflict. The hon. member for Ottawa-Carleton (Mrs. Pigott) presented me with a can of hard candy which she said were humbugs. I want to declare that in no way will I be swayed by the corporate sector in this House with respect to the discussion of Bill C-22. The hon. member for Central Nova (Mr. MacKay) says they are jawbreakers. I do not know. I have had a few of them, and I think that they were meant to sweeten my personality.

Some hon. Members: Hear, hear!

Mr. Rodriguez: I hear the hon. member for Assiniboia (Mr. Goodale). He was pretty loud on Monday night. As the parliamentary secretary to the government House leader, he had the responsibility for organizing the timing of this debate in the House. If I was speaking for a few hours last Monday, it is his fault in the House and he has to accept the responsibility.

Some hon. Members: Oh, oh!

Mr. Rodriguez: I would have far preferred him to have stood and accepted responsibility for the mistake he made, and I would be prepared to forgive him for having made it.

Mr. Goodale: There was no mistake, John.

Mr. Rodriguez: I hear shouts across the aisle from the hon. member for Northumberland-Miramichi (Mr. Dionne). He said I was delaying the House and I was preventing the taxpayers of Canada from getting their rebates. In looking at the hon. member's riding, I see he will get $800,000 under the Canada Works program. That means the unemployment rate must be pretty high in his riding. I wish he would stand in the House and I wish he had stood at the report stage of the bill and spoken about unemployment in his riding. But all he can do is make remarks from behind the curtain across the way.

It is only fair to deal with whether the taxpayers of Canada would be delayed in receiving their rebates, if they have rebates coming to them. On checking with Revenue Canada, I find the following statistics show that National Revenue processed only 3 per cent of all tax returns by mid-March, and this bill will come to a vote long before we get to that stage of the game. But what is more significant, we on this side of the House argue that tax rebates can take place without the passage of this bill. After all, we had the example of Bill C-21. I see the hon. member nodding in recognition of this.

● (1510)

That legislation dealt with excise tax legislation appeals and sales tax exemptions. It relates to the same May budget. It has been administered by the Department of National Revenue as if the bill had been passed.

To nail down this argument and once and for all to put it to rest, I want to put some figures on the record. Figures from the Department of National Revenue show that by mid-March 1.9 per cent of returns on taxable income were processed, and 5.5 per cent on non-taxable, for a total average of 3 per cent. By mid-April 17.5 per cent taxable and 27.5 per cent non-taxable were processed and the total average was 20.2 per cent. By mid-June 33.1 per cent taxable and 43.6 per cent non-taxable were processed and the total average was 36 per cent. By mid-August the figure for taxable had jumped to 89 per cent, and 95.2 per cent for non-taxable, and the total average was 92.3 per cent. By mid-November, 98 per cent of all returns had been processed by the Department of National Revenue.

I bring these figures to the attention of the House to lay very effectively to rest the criticism which came from the benches opposite and from those to my right that our careful examination of Bill C-22 has somehow denied or delayed the taxpayers of Canada getting their rebates. As these figures show, Canadians waiting for rebates have not been jeopardized in any way.

I will be dealing with that matter again, but one thing which has really struck me is the time we have spent on this bill. All the provisions of Bill C-22 were mentioned in the May, 1976, budget. We have to keep the timetable in mind because it demonstrates very clearly that the allegation that we on this side of the House have delayed the bill is incorrect. It is alleged that we have embarrassed the government and that we are trying to obstruct parliament.

Mr. Symes: Never.

Mr. Rodriguez: I know we never obstruct parliament. Parliament will not be obstructed by the 16 members of the New Democratic Party or by one little school teacher from the backwoods of northern Ontario. If that should happen, God help democracy in Canada.

Some hon. Members: Hear, hear!

Mr. Rodriguez: As I said, all the provisions of this bill were mentioned in the May, 1976 budget. When was first reading of this bill? November 5, 1976. The government says it is concerned about the taxpayers of Canada; it says it is concerned about rebates. But when did we start second reading of the bill? December 2, 1976. When we came back after the Christmas holidays, what was the first item for parliament to debate? Radio and television in the House. I see the hon. member for Assiniboia banging his desk like a seal flipping his flippers.

Mr. Goodale: You voted for it.

Mr. Rodriguez: I wish a couple of ministers would throw him a fish.

An hon. Member: He would throw it back.

Mr. Rodriguez: If he kept it, he might get mercury poisoning. What are the priorities of this government? I recognize the importance of radio and television in the House. I recognize it even more since last Monday. It would have been wonderful to have had radio and television in the House, because we could have taken this show right across Canada, to

the embarrassment of the government which is so incompetent and incapable of administering its own legislation.

Some hon. Members: Hear, hear!

Mr. Rodriguez: All we asked for was ten hours to look at the clauses of Bill C-22 in some detail. Instead, we spent 2½ hours on Monday and 2½ hours on a closure motion debate. Today we will use four hours to consider this bill. When we add it up, we get nine hours.

Would it not have been easier and much more productive for the Minister of Finance (Mr. Macdonald) and the government House leader to have agreed with the New Democratic Party and permitted ten hours of debate on the clauses of Bill C-22? It seems to me that we on this side of the House are very reasonable people.

Mr. Kaplan: It seems to you.

Mr. Rodriguez: The hon. member had his chance to make a speech. He deferred, so I am taking his time. His idea of democracy is that all debate is unreasonable. I recall the hon. member for York Centre (Mr. Kaplan) in the committee in the old days. He never wanted discussion of any bills at all.

Mr. Goodale: Have you ever been to the Saskatchewan legislature? You should see how Blakeney operates.

Mr. Rodriguez: We are reasonable people and we are quite prepared to discuss these things. All we asked for was ten hours to look at this legislation. Much has been said about our wasting time, taking up parliament's time, and all the rest of it, but I sat in this House and listened to unending debate on gun control which took months and months. Then it went to committee, and it still has not come back to parliament. That was a waste of time. We spent seven months debating capital punishment in this House. So for members of the government or members to my right to say that the New Democratic Party is filibustering or wasting time is not being fair at all. We have tried to give considerable and detailed examination to the provisions of Bill C-22. We have kept completely open minds. We have no axe to grind.

Something else happened since last Monday. People across Canada started to respond and I think it is only fair for me to mention some of those people who responded. There was a response from Elliot Lake. I received a telegram which says: "Congratulations, John. Kick them in the "—" ankles. It is from Roy and Evelyn Raftery of Elliot Lake. Here is another one from Sudbury. This one says: "Dear John, Give them hell". That is from Phil Landry, Mick Lowe and residence. Here is one from the boys from Bay Street. It says: "Congratulations . . . on behalf of vast majority of Canadians and incidentally all teachers. Don't forget AIB. Keep it up." It is from Frank, Doug and Pat, the boys from Bay Street. I do not have many friends on Bay Street. As a matter of fact, there are only three of them, and I hope to make their acquaintance.

Here is a telegram from Winnipeg: "No more tax concessions for corporations and the wealthy. Keep up the fight". That is from Jim Durcan. Here is one from Capreol, Ontario, where I live. It says: "You may have done something to change the rubber-stamp image of parliament". That is from Catherine M. Gilbert. Keep that in mind. Here is one that I am very proud of:

● (1520)

Best wishes. Local is proud of representation provided constituents of Nickel Belt which our members worked and elected you. It is gratifying that the Sudbury region has a spokesman for the wage earners and the unfortunates of Canada. It is unfortunate the Liberals or Tories have not the quality of members in the House they portrayed to the voters during an election. Our union's voice is with you.

That is signed, "Dave Paterson, President, local 6500, United Steel Workers of America." Mr. Speaker, that is the largest local of union members in all Canada, with some 16,000 hourly-rated employees. Here is one that really throws the lie in the teeth of any member across the way. I hope the hon. member for Assiniboia is listening. He was yelling across the floor the other day, "They want their RRSPs". Here is a letter that touches the heart:

Mr. Rodriguez, keep up the work. I will gain if the bill passes, but I would rather give up the gain to give the break to the old aged or the underpaid.

It is signed, "Josie Budnick".

Mr. Peters: There are a few benevolent people in this country.

The Acting Speaker (Mr. Turner): The hon. Parliamentary Secretary to the Minister of Finance (Mr. Kaplan) on a point of order.

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

The Acting Speaker (Mr. Turner): Would the hon. member for Nickel Belt (Mr. Rodriguez) permit a question from the Parliamentary Secretary to the Minister of Finance?

Mr. Rodriguez: Certainly. Any time, Mr. Speaker.

Mr. Kaplan: Mr. Speaker, has the hon. member received any telephone calls, letters or telegrams asking him to sit down?

Mr. Rodriguez: No, Mr. Speaker. Since this started last Monday I have found what a wellspring is within the Canadian heart. When you get letters such as that last one, you know you are on the right track. When people across the country are prepared to say, "I stand to gain from this thing, but the things you have said are very important," we ought to take a good, hard look at them. The hon. member can yap and ask all the questions he wants. Here is an example. On Monday I got up and made my few remarks in a humble—

Some hon. Members: Oh, oh!

Mr. Rodriguez: —and sincere way to the House. Lo and behold, in the Toronto *Star* of February 8, alongside the story covering what I said in the House is an article headed, "Ottawa to close income tax loophole in retirement plans".

This is a Canadian Press article. I hope hon. members are listening, because I want to put it on the record. It reads as follows:

Federal tax investigators say they are cracking down on taxpayers using loopholes in registered retirement savings plans to avoid millions of dollars in income tax every year.

They knew it all along.

A Revenue Canada official said in an interview, the department is about to pounce on several hundred persons who have been using a wrinkle in the law.

But in the case of a second savings incentive program—registered home ownership plans—he said an unknown number of persons have used the plan as a tax dodge.

This is done simply by changing ownership of the home they already own over to the spouse's name. Both loopholes were created in November, 1974, when John Turner, then minister of finance—

He is the man who went to his eternal reward in the bosom of Bay Street.

An hon. Member: They should have put closure on the loopholes.

Mr. Rodriguez: That is right, but we never seem to be able to catch those loopholes.

Mr. Symes: Or the minister.

Mr. Rodriguez: The article continues:

—introduced changes in regulations to permit establishment of retirement savings plans on behalf of spouses.

At the same time, he created the registered home ownership plans "to assist young people in accumulating the capital required for a down payment on a house."

Both savings programs are vigorously promoted by chartered banks and trust companies at this time of year because deposits must be paid into the plans by March 1 in order that the amount of the deposits may be deducted from last year's taxable income.

For most people, the maximum amount that may be deposited in a registered retirement savings plan—commonly called a RRSP—is $3,500.

The money is taxable only when it is withdrawn from the plan. The theory is that the money will be withdrawn only in later years when a person is retired and therefore subject to a lower tax rate.

When the government introduced "spousal" plans in 1974, some taxpayers began to engage in what the revenue department considers sham transactions.

Typically, these sham transactions work this way—

These are what we call the loopholes in the plan. That is what we on this side of the House are against. It is really the crux of the whole thing. Here was an opportunity for a minister who really felt that the country should be supported by the taxes collected from those who had earned from the society and ought to be paying their fair share of taxes. Surely a tax plan is not to be set up so that every Tom, Dick and Harry, his dog and cat, can climb through the loopholes. I hope the minister is thinking about what I am saying. Here are the loopholes, according to this article:

The husband, the highest earner and therefore the highest taxed partner in a marriage, deposits $3,500 in a registered retirement savings plan (RRSP). He does this in his wife's name and before the March 1 deadline.

The husband deducts the $3,500 from his 1976 taxable income.

Shortly after the March 1 deadline, the wife—who is in a lower tax bracket—cashes in the RRSP and reports the money as taxable income for the current year, 1977.

[Mr. Rodriguez.]

This technique, merely a way of transferring income into a lower tax bracket, can be repeated year after year.

"There's a fair number of people who have done it," the revenue department official said.

"We're going after a few hundred, and serving notice on everyone that we're going to stop letting them play games."

How nice, Mr. Speaker! As the hon. member for Waterloo-Cambridge (Mr. Saltsman) says, of course the trust companies, banks and insurance companies are going to report them. You can just see it. It is too ludicrous. Let some low income earner who is on unemployment insurance take out of the unemployment insurance fund something that he is not entitled to, and then see how he is tracked down. He can never escape: everything but bloodhounds are put on his track. This is the kind of loophole that we want to discuss and bring home to this government again and again. Something has to be done to plug that loophole. The income tax system must have credibility for the large number of Canadians who pay taxes. If people see that it has no credibility, they lose faith in the democratic process. That affects what we are doing in this House. We have to try to bring that home to the government.

The hon. member for York Centre wants to know if people have asked me to sit down. Mr. Speaker, I am prepared to stand here and talk until doomsday if that is what it will take to bring home to the Minister of Finance that something is seriously wrong with the system. That is only one loophole, but there are others in Bill C-22 that we want to discuss. As long ago as April, 1976, the minister was made aware of this loophole and urged in a meaningful way to block it. Mr. Speaker, an article which appeared in the Ottawa *Journal* of April 13, 1976, succinctly and clearly pointed out one of the loopholes in our law, a loophole which still exists in Bill C-22. The article read:

● (1530)

A few readers expressed mild annoyance that editorials on this page recently criticized illegitimate but nonetheless legal ways to avoid personal income taxes without giving enough detail on how to cash in on the bonanzas, in question.

They weren't just joking, either. They really didn't see why a minority of taxpayers should exploit tax laws in ways that weren't intended to be used but which are not prohibited by law. The *Journal* doesn't see why, either—but since giving detailed financial advice isn't one of the functions of editorials, the "how-to" details on tax dodges will have to be found elsewhere.

But some advice can and should be given. It's for the federal government. If a particular method of tax avoidance is considered an "abuse" of the tax laws, don't wait for more and more taxpayers to commit the act before cracking down on it.

If no change in the law is necessary to prevent fast "rollovers" of tax-free cash between husbands and wives under the guise of a registered retirement savings plan, for instance, then make it clear with a stern announcement.

Spell out what kinds of transactions qualify a taxpayer for the $1,000 interest income deduction from taxable income. If a quick buy-and-sell trade with bonds is considered an abuse, then explain exactly how long such securities would have to be held to qualify the taxpayer for the legitimate deduction.

Where Revenue Canada frowns on a tax avoidance device but is powerless to stop it because of the way the law is written, it should put pressure on the finance department for the necessary changes in law to close loopholes. The government should announce ahead of time its intention to make such changes. This would be a comfort to the majority of taxpayers who don't use loopholes and a useful service to the expanding minority who are being lured into them by the government's apparent laxity.

The need for clarification was well expressed in a recent brief to the Minister of National Revenue by the Canadian Federation of Independent Business:

The *Journal* quoted part of that brief as follows:

When the department remains silent on how it will treat certain flawed sections that can be easily abused, uncertainty and cynicism on the part of the majority of taxpayers who wish to be fair is the result.

The article went on to say:

If there is one thing Canada doesn't need more of, it's uncertainty and cynicism about the tax system. The government faces a massive job of cleaning up the incredible obscurity left over from tax reform that took effect in 1972. But the kinds of loopholes at issue here—such as in the RRSP, investment income deductions and the registered home ownership savings plan—are more recent imperfect creations than tax reform. They are also easier to tidy up in the interests of fairness and a healthier public attitude toward taxation. That job should be done now.

To that we say "Amen". That job should be done now. It is obvious to anyone reading the clauses of Bill C-22 and noting the existing loopholes that the theme of the bill is "one good loophole deserves another." The loopholes are legion. Considering that the provisions of Bill C-22 were mentioned in the budget of May, 1976, surely the Minister of Finance, together with his parliamentary assistants and nabobs in the bureaucracy, has had sufficient time to consider these loopholes and move effectively to block them. I do not blame the Minister of National Revenue (Miss Bégin), for the responsibility lies with the Minister of Finance. In this connection I cannot help noting another article which appeared in the Ottawa *Journal* of November 27, 1976, entitled "An ounce of cure." The article reads as follows:

Revenue Canada has let it be known that, among others, a tax dodge called the quick bond trade is under intense scrutiny and that taxpayers found to have used it will be pursued. The aim is apparently not to punish but to recover funds lost to the government under the device and to discourage its use in future. But it's almost a token exercise.

The quick bond trade usually works this way: Persons with less than the allowable $1,000 in tax-free interest or dividends arrange to buy and sell a bond simultaneously, acquiring accumulated bond interest that is tax free. The cost of the transaction, including the accumulated interest they bought from the previous bondholder, is tax deductible.

The attraction of the deal is obvious. Someone might acquire $1,000 in instant tax-free income while the $1,060 or so that it cost to acquire the income is reduced by the amount of the taxpayer's marginal tax rate. For someone in the 45 per cent bracket, for instance, the net cost of acquiring the $1,000 would be about $585, leaving a profit of more than $400 at the expense of other taxpayers. This could be done every year.

The weakness of Revenue Canada's campaign against this abuse is the limitation of the tax law. It can be used against "sham transactions" in which it is clear that no money changes hands, but it's doubtful whether it will prevent the same deal being carried out over a short period in which real money is put at risk. Since some bonds can be bought with little short-term risk for only four per cent down, the slightly less quick bond trade will still be wide open to abuse.

This, sad to say, is the problem with several other tax loopholes that should be closed. Revenue Canada is working to foil a significant number of taxpayers, for instance, who set up registered retirement savings plans for their low-or-no income spouses and then collapse the plans immediately to obtain a tax saving. But the loophole will apparently still remain for those with the small patience to allow a decent interval before skinning the taxman for the same amount.

The most effective place to crack down on tax loopholes is at their source. The source is the finance department, not the revenue department. Under the guise of stimulating savings through tax incentives, the government through the finance department devised too many abuse-prone tax laws. The revenue department's watchdog efforts may serve only to cause determined tax-avoiders to use more discretion. The impact on the millions of dollars lost annually in tax collections may be minimal.

I point out that the articles I have quoted from this afternoon came into my possession as a result of events which took place last Monday evening. People concerned about the direction in which our country is heading, and the cynicism prevalent in our government, sent this material to me pointing out those further loopholes as evident in the material which I have placed on record this afternoon. Last Monday evening, toward the end of my remarks, the hon. member for York-Simcoe (Mr. Stevens) stood up and asked a question. He asked: What is the model for our tax system? That is a fair question, considering we are discussing a bill with such implications for the Canadian taxpayer. My model is the model of this party, the New Democratic Party: we believe there are three basic principles to a tax system under a socialist government. First, the tax system ought to be redistributive. There is no question about that. In this regard, the Carter Commission stated, in volume 1 of its report, page 6:

● (1540)

We are firmly convinced that this redistribution is necessary if we are to achieve greater equality of opportunity for all Canadians and make it possible for those with little economic power to obtain a decent standard of living.

That is our first principle, that the system must be redistributive. Not even a Tory would quarrel with that. But that principle would have to be accepted on all sides of the House. The second principle in our tax model is equity. I again wish to refer to the comments of the Carter Commission, volume 1, page 4:

The first and most essential purpose of taxation is to share the burden of the state fairly among all individuals and families. Unless the allocation of the burden is generally accepted as fair, the social and political fabric of a country is weakened and can be destroyed.

We know that is happening today. There are grave disparities between the bottom one-fifth of the Canadian population who every year receive a smaller percentage of the economic pie while those at the top receive a greater percentage. It was certainly neither fair nor realistic for the Prime Minister (Mr. Trudeau) to stand on January 26 and say he does not care if the rich in this country get richer as long as the poor get richer. He was obviously speaking in a vacuum. He does not realize the implications of the spread within the Canadian economic system. What has happened to the just society? Did it dissipate like dew in the early morning sun? We no longer hear much about the just society.

The third factor in our tax model is progressivity. I cannot stress that enough: the system must be progressive. Therefore, the three principles are redistribution, equitability and progressivity. It must be imposed on a broad base which embraces practically all forms of income and wealth. We are not alone in this position: it is not an isolated position. The Carter commission buttresses the principle of progressivity. I quote from page 272 of volume 2:

The greater the income, the greater should be the relative net contribution of the family or individual.

We do not have a progressive income system. The government knows full well that every time it comes in with a program or indexing exemptions, a registered retirement sav-

ings plan, a surtax or a child care allowance based on a formula dependent on income, it destroys the concept of progressivity. The higher up the income scale you are lucky enough to be, the greater the advantage with these kinds of programs. We fall into the trap of saying that all Canadians who are working and earning a wage can take advantage of the registered retirement savings plan, the registered home ownership savings plan or any of the other 18 loopholes in the system. However, we know full well that those at the bottom of the scale could never afford to take advantage of that sort of program.

We see a model with three principles. Our model is based upon the principle of ability to pay. There must be equality in tax treatment between men and women and between persons in like circumstances. I cannot stress that enough. Our model is based on reducing the gap between the rich and the poor by greater reliance on progressive, direct taxes on income and wealth. We have pleaded with successive Liberal and Tory governments to ensure progressivity in the tax system by using tax credits. We harp on that time and again. However, we do not get anywhere. We have not gained one inch in getting them to move toward a system of tax credits which would be the forerunner of a guaranteed annual income in this country.

That would be one of the best ways of eliminating poverty for over one-quarter of our people, 5 million Canadians, who live below the poverty line. What a travesty of our traditions, with so many living in poverty! Every time members go to the parliamentary restaurant they enjoy scrumptuous meals at cut rate prices, subsidized by the taxpayers of Canada. They should be asking themselves whether there is anything that can be done in this House to make the tax system fair and just.

Last Monday I suggested—and there were howls from the other side of the House—that when one looks at the income tax system in Canada one cannot help being impressed by the obvious close consultation between the wealthy in Canada and those who sit on the government benches. When I threw that out there was a whole slew of catcalls and howls.

I mentioned that the former minister of finance, John Turner, had gone to his reward on Bay Street where I am sure he is earning a lot more than he was earning in this House. The suggestion I made in this House is not as far out as some may think. I read a recent copy of *Maclean's* magazine, and in the section headed "People" on page 44, lo and behold, what is the scenario I read? It is:

● (1550)

If anybody still harbors any doubts about who really runs Canada, the following anecdote should dispel them. Recently Jean-Pierre Goyer, federal Minister of Supply and Services, phoned John Angus "Bud" McDougald, the head of Argus Corporation and the man in control of about two billion dollars in assets. Mr. Goyer said he'd like to talk with McDougald about the Canadian economy and Mr. McDougald said he'd be happy to oblige.

"I'd like you to come down to the parliamentary offices in Ottawa for our meeting," Goyer said. "If you want to see me, I'm at 10 Toronto Street in Toronto", McDougald replied. "Well, generally everyone comes to see me", Goyer said. McDougald said, "I'm not everyone". Goyer went to Toronto.

Mr. Goyer: I rise on a question of privilege, Mr. Speaker.

[Mr. Rodriguez.]

The Acting Speaker (Mr. Turner): The Minister of Supply and Services (Mr. Goyer) is rising on a point of order.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I am very glad that the hon. member permits me to make a rectification, thus eliminating the need of my writing to the *Maclean's* editor. I simply want to say it is true that I asked to meet this distinguished Canadian businessman, but I asked to meet him in Toronto where I had other business to do on that day. There has never been any misunderstanding between Mr. McDougald and myself about the date and the place for this meeting. The hon. member is kidding.

[*English*]

Mr. Rodriguez: Mr. Speaker—

Mr. Prud'homme: There he goes, enjoying his own fun.

Mr. Rodriguez: It is not fun. If the minister can find time to run down to see Mr. McDougald, when is he going to find time to see Jerry Beaulieu at the car wash in Toronto? That is not an isolated incident. On December 12, the Minister of Consumer and Corporate Affairs (Mr. Abbott), who had a lot to say in this House the other day about what we were trying to do with this bill, took a ride on the bankers' association plane to Toronto. When we were dealing with Bill C-16 in committee I asked if the minister had paid for his trip to Toronto.

Some hon. Members: Order.

The Acting Speaker (Mr. Turner): Order. I suggest that the hon. member get back to the terms of Bill C-22, the bill under discussion.

Mr. Goyer: You do not want me to meet with businessmen?

Mr. Rodriguez: Yes, you want to meet with businessmen, but you also want to meet with lower income Canadians. This is very apropos the bill, Mr. Speaker, because the minister is getting advice from the top end of the economic scale of taxation. One should also get advice from those at the bottom.

The Acting Speaker (Mr. Turner): Order. I would ask the hon. member to get back to the bill under discussion, Bill C-22.

Mr. Rodriguez: Mr. Speaker, I am talking about the income tax laws of this country, and that is what Bill C-22 is all about. Any minister who wants to get advice from the corporate sector in this country should be prepared to get advice from those who earn small salaries in Canada, because they have a lot to say about the problems that face working class Canadians. However, I am not surprised by all of this. As I said before, we know the relationship that exists, and unfortunately this whole question of credibility comes into play. Bill C-22 brings the credibility of the Income Tax Act into question. One has to look at the relationship which exists among those who are responsible for writing the tax laws of this country, those who are responsible for administering the tax laws of this

country, and those who at the other end receive the effects and benefits of that system.

In this regard, Mr. Speaker, as I have just read into the record, we have seen the relationship of the former minister of finance who has gone to his reward on Bay Street. Mr. Simon Reisman, who was the big mandarin in that department, has gone to his reward in the corporate world, giving advice to businessmen on how to deal with government. Isn't that just ducky, Mr. Speaker? But does anyone go to the outports of Newfoundland or to northern parts of Ontario to find out how the laws that we are debating in parliament contained in Bill C-22 affect the lives of people here? Do they really touch their lives at all? A lot of the clauses in the bill, as I have pointed out before, do not really touch the lives of the large majority of our people. It seems to us on this side of the House that only a small minority are able to take advantage of tax programs such as RRSP, RHOSP and the elimination of the surtax on those with incomes of over $30,000.

An hon. Member: Tax developers.

Mr. Rodriguez: Mr. Speaker, a member across the way is interjecting and making comments. He had his chance to make a speech but he was so mousey that he sat there and did not rise. That is why I am on my feet. If he wants to make a speech, he can wait until I am finished.

We in this party have argued consistently that the legislation which is outlined in Bill C-22 is regressive in nature. One of the principal reasons for saying this is that Bill C-22 increases the tax deferrals and loopholes and adds to the numerous subsidies already present in the Income Tax Act which are largely beneficial to the wealthy and affluent. It is a deliberate deviation from the principle of progressivity. It is a primary deviation from the principle of equity, Mr. Speaker. It deviates from the principle of redistribution which we have talked about as our model for an income tax program in Canada.

The clauses on child care, registered savings plans, registered retirement savings plans, disabled persons and the registered home ownership savings program are inequitable in their application since they always give greater benefit to those at the top of the income scale than to lower income groups. As well, they are absolutely of no benefit to the poor who are outside the tax system because their incomes are too low. These deductions and deferrals must be reviewed in the light of more information that has come to my attention.

● (1600)

[*Translation*]

Hon. members on the government side keep on repeating that we have a fair taxation system and that the fiscal benefits we have been discussing do not unduly favour high income earners at the expense of low wage earners. Government statistics are impressive. Indeed we have been told that the vast majority of taxpayers who benefit from those deductions belong to the group of people at the bottom of the income scale. They continuously put forward impressive statistics which show, they say, that most fiscal benefits go to those who earn less than $10,000 a year. But statistics, Mr. Speaker, do not always tell the truth.

It reminds me of the story of a statistician. I believe he used to work for the Department of Finance and he once wanted to cross a river but did not know how deep it was. Looking up available statistics, he learned that it was three feet deep on average. As a statistician of the Department of Finance, he thought that information was quite enough. And, Mr. Speaker, do you know what happened to him? He drowned. His own statistics misled him, just as the Canadian taxpayer is misled by the statistics given to him by the government. Yes, the average depth of the river was three feet; but, Mr. Speaker, in some spots it was two feet, in others, five and even eight feet; and that is where we lost our statistician.

Mr. Speaker, we do not want Canadians to suffer the same fate. Unfortunately, just like the statistician who worked for him, the Minister of Finance allows himself to be misled by statistics that do not always tell the whole story. The minister tells us that 77 per cent of deductions allowed for child care go to families whose income is less than $10,000. The government likes to quote such striking figures. We do not question their accuracy. But those same figures hide the truth. That is, that in terms of dollars, child care allowances are more profitable to Canadians in high income than in lower income brackets.

The National Welfare Council, in its report entitled "The Hidden Welfare System" states as follows:

> A deduction always gives a greater benefit to the person with a higher income and a lesser benefit to a person with lower income. This is because deductions always take money out of a person's highest tax bracket—the bracket which is taxed at the highest rate applicable to his income.

Of course, we are not opposed to increases in child care allowances. But we are opposed to a tax system that provides for a considerably higher tax savings to the taxpayer who can best afford to pay the expense, and consequently has less urgent need of the subsidy afforded by the tax system. Deductions always give that type of results. The higher the deduction, the greater the disparity.

The National Council of Welfare gives us an example which shows how tax savings accrued from this deduction are much higher for the well-off than for the low income taxpayers. It illustrates how a person with an income of $6,000 a year, who is eligible for the child care deduction would save $257 whereas a person with an annual income of $20,000 would save $380 in tax with the same basic exemption. This is a good example of the type of situation the present government is hiding with its impressive statistics. This is the same kind of situation which made our statistician drown. We have a tax saving of $257 for the low income earner and one of $380 for the upper income taxpayer; is this what the government calls a fair tax system?

If we really had a fair tax system, as stated by this government, could they explain why in 1974 there were 252 citizens with an income of over $50,000 who did not pay any tax, and among them 17 had an income of over $200,000? Could they give us an explanation as to why the gap between the wealthy

and the poor becomes greater and greater every year? We can explain this, Mr. Speaker. Amendments like the child care deductions tend to reinforce inequality, to maintain if not increase the gap between high income and low income groups. Our alternative is to replace this unfair child care deduction system by a tax credit system. Let me quote the Canadian Council of Welfare report; it says:

> The way to eliminate this inequity is to replace the child care deduction with a child care credit.

When fiscal allowances are socially justified, as is the case for child care allowances, they should benefit equally all wage earners, and this can only be achieved by fixed tax abatement system. Tax abatement is the best way to distribute the national income. This has nothing of a revolutionary idea. Some provincial governments use them to finance social programs. The federal government is well aware of the way these tax abatements are used. In fact, they are working very well as far as election expenses deductions are concerned. There are a great number of well-off benefactors who are friends of our Liberal and Progressive Conservative colleagues and who are well aware of the value and advantages of this particular use of the tax deduction system. I believe, Mr. Speaker, that we could at least take a first step towards a fairer Canadian tax system if the Liberal would be as concerned about the financial condition of the individual taxpayer as they are about the financial position of their own party.

If the government really believes, as it says it does, in a fair tax system, it will implement a tax credit system where it is required, particularly in the area of financial assistance to child care expenses, care of elderly and disabled people, as well as a variety of other important social programs. One of the benefits provided by the tax credit system is to ensure the payment of tax on every dollar earned. Now, I understand this might be a horrifying thought for a Liberal government and their Progressive Conservative friends who would be greatly alarmed by the loss of loopholes in such an advantageous tax legislation. They will certainly create dissatisfaction among their friends from the big industry. However, it is a measure of which the other 95 per cent of our people might take advantage.

Bill C-22 is unfair. It grants higher deductions to those at the top of the income scale. Take corporations, for instance. The higher corporate tax is not paid by the rich. The share of all revenues paid by corporations to the tax system has rapidly decreased during the past few years. From 1962 to 1970, corporate contributions to federal revenue have decreased by some 38 per cent whereas the contributions paid under personal income tax have gone up by over 23 per cent.

Not only are those Canadians who are in the lower 20 per cent income bracket becoming poorer every day but they carry a heavier tax burden. In the main, the tax system does not assist at all in redistributing incomes in Canada and Bill C-22, with amendments such as clause 21, relating to deductions for child care, emphasized even more the unfairness of the Canadian tax system.

[Mr. Rodriguez.]

• (1610)

[*English*]

As I stated, the child care deduction always gives greater benefit to the person with a higher income and lesser benefit to the person with a lower income. This is because deductions are always taken out of a person's highest tax bracket, the bracket which is taxed at the highest rate applicable to his income. The way to eliminate this—and this is documented by the National Council on Welfare—is to replace the child care deduction with a child care credit. A tax credit is just what its name implies, a credit of a fixed amount which each taxpayer could apply against his or her tax bill; in other words, a fixed amount of tax which he or she would not have to pay.

How is it possible to have that kind of tax credit with respect to election expenses and contributions? How is it possible to have that sort of tax credit applied to contributions to a political party? To me, that is a very fair way to go about it; but if we can do it in politics, why is it not possible to do it with respect to child care? They can no longer say that a direct tax credit is not workable, because it was that Liberal gang over there which used to tell us on this side that a direct tax credit would never work. But suddenly they needed party funds, and lo and behold, up pops a tax credit. Yes, we voted for it because we felt that any contribution to a political party should be above-board. We said, "No more handing over of envelopes in boardrooms. No more trips down to 10, Toronto street." No, sir, all contributions to political parties should be above-board, we believe. We do not object to that, but by the same token we believe that with regard to child care allowances there should be a direct tax credit and it should be above-board so that everybody sees where your hands are and nothing is done under table. Surely that principle should carry over. What gets to me is that in the House we have the power to do that. We can allow a direct tax credit to people who have to work and support a child. The child care reduction was replaced by a credit of $350. Women earning $6,000 and women earning $20,000 would receive the same fixed amount.

Mr. Peters: But the minister says that screws up the percentages.

Mr. Rodriguez: The actual tax dollars are not applied in a fair manner. The minister may have figures about how nicely these dollars are distributed in percentages. He may say that 60 per cent of the people take advantage of the child care allowance, but how much is that in dollars and cents? That is what we on this side are interested in. The minister keeps giving us percentage figures, but we are talking about how much that is in tax. Cuanto dinero, is what we ask. That is important. The hon. member for Winnipeg North Centre (Mr. Knowles) says "Si si". That is true. That is the response we have had in the House to tax credits. That is what we want to see. On top of all this, the child care clause is discriminatory, which I am sure the hon. member fo Edmonton West (Mr. Lambert) will never be able to understand. At least he may live to regret his words. I do not have to deal with him any longer; that has all been taken care of.

An interesting letter with respect to child care allowances was published. I think that this woman, Joan Foley of Toronto, makes a very good point. This is what she says. First, she thanks the editor of the Toronto *Star*. Then she writes:

Thank you for your excellent editorial rebutting the objections by MP Marcel Lambert to increases in child care on deductions in ("Dumb, Dumb, Dumb," February 7).

My only regret is that you did not include among the legitimate reasons why married women work that, like their husbands, they appreciate the dignity which comes from being financially independent through paid work.

If it is conceded that both men and women should enjoy access to this status in the community, then it is not necessary to defend the working married woman by reference to the inadequacy of her husband's income to provide a reasonable standard of living for the family.

It also follows that the child care deduction should be applicable to the income of either parent.

Or is this twenty-first century thinking?

Joan Foley
Toronto

Of course, she refers to the editorial which appeared in the Toronto *Star* of February 7, 1977, entitled "Dumb, Dumb, Dumb", and refers to the hon. member for Edmonton West with regard to his outmoded ideas on why women have to work and the results of sending their children to day care centres.

Mr. Lambert (Edmonton West): Like many other people, she does not read carefully.

Mr. Rodriguez: Since the hon. member says I misunderstood, I will read the article because I think it is appropriate in view of the challenge with regard to my understanding of what it is all about. The article reads:

Someone, perhaps Anne Dea of Edmonton who's an Alberta representative on the federal Advisory Council on the Status of Women, should tell MP Marcel Lambert (PC—Edmonton West) the facts about the role of women in the last quarter of the twentieth century.

Lambert, objecting to income tax amendments that would raise the amounts working parents can deduct for child care costs, was complaining that women go to work for frills, not out of economic necessity.

He should try telling that to the 357,000 Canadian women in the labour force who are widowed, divorced or separated, who are supporting themselves and in many instances their children, too.

And what about the 1,198,000 single women in the work force? They don't work for frills—they work to pay the rent, to buy food and clothing, to pay their taxes. Lambert wouldn't approve, of course, but some of these single women have children to support too.

As for the 2,303,000 married women in the work force, they aren't working for frills either. They're working because, in many areas of this country, it takes two incomes in a family to pay off the mortgage on a house. Or they're working to send children to university or even, in some instances, to send their husbands to university. Some of those married women have alcoholic husbands, or unemployed or disabled husbands; without their earnings, these families would be on welfare.

Lambert opined, too, that children sent to day care centres become social monsters.

This would come as a great surprise to child welfare workers, for example, who find day care centres an excellent way of rescuing children from the risk of being neglected or abused by their parents.

But perhaps Lambert is one of those unreconstructed nineteenth century persons who doesn't want to be confused with facts. He is, after all, the same man who told a group of university students in Edmonton in 1972 that women wouldn't need abortion reform if they just kept their legs together!

● (1620)

So much for the progressive ideas which emanate from the Tory benches with respect to the child care allowance. We have seen how progressive the Tories are with regard to unemployment insurance, and now we see it with regard to taxation. I want to say that I reject everything which was outlined in that editorial and in what we sat and listened to a week or so ago.

Mr. Lambert (Edmonton West): Mr. Speaker, I rise on a point of order. I do not think the hon. member for Nickel Belt (Mr. Rodriguez) would intentionally mislead the House, but when he says he rejects all that appears in that Toronto *Star* editorial, I would do the same because it is based on a story which was a gloss of my remarks in this House the other day. The hon. member knows that, and he seizes on one small point out of context and then tries to build a case. His speech is as bad as the Canadian Press story was that day.

Some hon. Members: Hear, hear!

Mr. Rodriguez: We flushed one from the benches opposite, and now we have flushed another pigeon from the bushes over here.

Some hon. Members: Oh, oh!

Mr. Rodriguez: I am not going to get into a debate with the hon. member for Edmonton West, but I sat in the House, I read *Hansard*, read it again and reread it.

An hon. Member: Why don't you do it now?

Mr. Rodriguez: I will get to *Hansard* in a minute. I read it before I made my speech on Monday. I thought I had dealt with the hon. member very effectively, but then, lo and behold, somebody sent me this editorial and I felt that it was very apposite to put it on the record so that we could have a complete picture of where the Tories stand on this bill. While I am dealing with this, I should also say that is the reason I am on my feet today after the few remarks I made last Monday night. It seems to me the Tories and Liberals agreed in principle with what is contained in this bill, and having done so, neither saw fit—

Mr. Paproski: Who were you sleeping with in 1972?

Mr. Rodriguez: The hon. member for Edmonton Centre (Mr. Paproski) asks a good question. We went to bed with the Liberals because we looked at the alternative and we did not think we could go to bed with him. He needs a face-lift.

Mr. Paproski: Shame on you, Rodriguez.

Mr. Rodriguez: The hon. member for Edmonton Centre keeps his legs crossed. I would not go to bed with him.

Some hon. Members: Oh, oh!

Mr. Paproski: Those are not very nice remarks.

Mr. Rodriguez: It was a choice between worse and worst, and we chose worse. Nobody could fault us for that. The clauses of this bill with regard to child care are not acceptable. We take exception to the child care clauses, which we find discriminatory. The child care provisions are unacceptable because the method of deduction is unclear. It is based on the assumption that women must bear the full responsibility for child care. Such discrimination was excellently outlined in a letter to the Minister of Finance, the Minister of National Revenue, the Minister of Justice (Mr. Basford, and the government; from the Women and Law Association. I want to read that letter into the record. It reads:

Dear Sirs:

Re: Income Tax Act, S. 63, Child Care Expenses.

The Child Care Expenses section contains other discriminatory aspects which should be investigated and corrected.

1) The policy of this section is unacceptable since it assumes a woman must shoulder the child care responsibility. She must bear the expense of the babysitter when she goes out to work in the paid labour force. Women generally earn 60 per cent of men's incomes. (Statistics Canada, Dept. of Labour, Women's Bureau). Thus either her husband pays for child care and she deducts it (which is unfair to the husband, who should be able to deduct his real expenses). Or, she pays the expenses (usually more than the permitted deduction) and her earning power and consequently her financial independence is considerably reduced. This sex-stereotyped division of responsibilities is especially discriminatory. A clause should be developed which allows for maximum flexibility of responsibility and/or joint responsibility.

2) An indirect discrimination results from the absence in the definition of child care expenses (S 63 (3)(a)(ii)) of persons studying in full-time institutions. Under "earned income" there should be added a provincial or Canada loan or grant. As well, to S 63(3)(a)(ii) the phrase, "and to persons engaged in full time study at an accredited institution", should be added.

3) The $1,000 per child is inadequate and unrealistic in terms of the present cost of living and cut-back wages. A person running a business is entitled to deduct the full amount of expenses. Yet a maximum is placed on child-care expenses. Caring for children is a worthy valuable activity and full recognition of its value should be reflected in tax policy.

4) The child care expense deduction should be from tax payable—

I hope hon. members opposite are listening. It looks as though they are all asleep.

An hon. Member: Oh, oh!

Mr. Rodriguez: There is one hollering from the back. I want to repeat that last paragraph:

4) The child care expense deduction should be from tax payable and not from taxable income as at present. Baby-sitting expenses are approximately the same whether the parent is at a $5,000 a year annual taxable income level or a $50,000 a year taxable income level.

I do not think this is seeping into the minds of hon. members opposite. We talked about the principle of progressivity. The government is undermining that principle because the child care allowance is going to be deducted from income. A specific suggestion is being made here that it ought to be a form of direct tax credit. Now I see that we are not alone; we are in good company in this regard. We have been saying that for years, but it takes a very long time for an idea to seep into the minds of hon. members opposite. I suppose they do not want to act on any progressive ideas. The only ideas they want are those which help their fine-feathered friends down on Bay Street. The letter goes on as follows:

[Mr. Paproski.]

The lower income person is therefore paying a higher proportion of income for child care and benefits least from a deduction from taxable income. This discriminatory discrepancy should be rectified.

In conclusion, since the described discrepancy in allowable deduction for child care expenses between a single parent man and a single parent woman is so clearly discriminatory, our Association would like a clear explanation from you as to why this section is drafted this way.

While you give your assurances—

Miss Bégin: Your party never supported the Royal Commission on the Status of Women. I do not think you ever spoke publicly in favour of its recommendations.

Mr. Rodriguez: The minister has found her voice. She is chirping that we never supported the Royal Commission on the Status of Women. Running for the leadership of this party was a fine woman and a strong proponent of bettering the status of women in this country, Rosemary Brown.

● (1630)

Miss Bégin: Why did you defeat her, then?

Mr. Rodriguez: The minister is a Johnny-come-lately—I should say "Janey-come-lately". We had Grace MacInnis here, the only woman in parliament for years and years fighting constantly for women's rights. For the minister to come chirping in now as if she is just coming out of the bush, she has another think coming. This party has been on record as standing up for the rights of women in this country for years and years. We will have to wait and see if the Badgley report is going to make any changes to the Criminal Code of this country. Let us see where they will put their mouths. I know where: where they put their heads—in the sand. The letter continues:

Will you give your assurances that this section will be amended to eliminate discrimination and the blatantly unfair discrepancies before the budget changes are given final reading? We are awaiting a response before proceeding with further analysis of the underlying policy of this section.

Thanking you in advance for your prompt attention to this matter, I am,

Yours truly,
Kriss Boggild
Chairperson,
Women and Law Association
Articling Student Caucus

Mr. Speaker, I think that letter succinctly and clearly outlines the problems with regard to child care expenses. It puts on record the very questions we wanted to raise and which we were going to raise in committee of the whole before we were gagged. That has been our position consistently with respect to these kinds of clauses in the bill.

Mr. Pelletier: What is the punch-line of your speech?

Mr. Rodriguez: Mr. Speaker, I am amazed at how Liberals find their voice when they know there is a time limit on debate. They all want to make speeches. That is the only time you hear them. At committee they sit like bumps on a log. They represent a vote. I know how boring it must be to sit in the back and not be able to participate in the discussions that guide the destiny of our country.

Mr. Pelletier: It is not as boring as listening to you.

Mr. Rodriguez: You do not have to stay. We can adjourn and come back tomorrow. I do not mind. I know how embarrassed you all are. Somebody asked me if I am embarrassing the government. Sure I am.

An hon. Member: You are embarrassing the country.

Mr. Rodriguez: Every time we try to hold up this kind of legislation, they are squeaking. They did not have much to say in committee of the whole. Not a Liberal spoke on this bill in committee of the whole.

Mr. Alexander: They could not get a word in edgewise.

An hon. Member: Do not forget you were on the committee.

Mr. Rodriguez: Yes, and you hear me when I am in committee too.

Mr. Pelletier: How can we speak, then?

Mr. Rodriguez: This bill creates loopholes. We have said there are three principles to our model of a tax system. First, it has a redistributive principle; second, an equity principle; and, third, a progressivity principle. As we look at the clauses in Bill C-22 and see what those principles are—

An hon. Member: What about incentive?

Mr. Rodriguez: Incentive for whom? I am glad the minister's parliamentary secretary raised the question of incentive. On the weekend a young man named Kenny Fawcett called me. His father was the member for Nickel Belt in 1965-68, a representative of our party. He was a fine gentleman, as many members of the House may recall. His son started work this year as an apprentice electrician at National Steel. He wanted to earn some money, so he worked hard and took all the overtime he could get. At the end of two weeks he got his pay cheque. The income tax was $150 for two weeks of hard work. When they talk about incentive, is it incentives for the working class? Is it incentives for the savings companies, the banks, financial institutions, the wealthy? They do not talk about incentives for the little guy. Why not give the little guy more incentive? He would be very productive. This young man wanted me to tell parliament about his case, and that is what I am doing, so I am glad the hon. member raised the question of incentives. Who becomes incited to save, to take advantage of the loopholes? I have just gone through some of them, but there are more loopholes.

An hon. Member: You should have told him about your case.

Mr. Rodriguez: The hon. member knows how I voted on the increase in wages. Members of parliament are perfect examples of incentive. We have more examples of how the loopholes work. The thing that gets me is that it is not just a few in parliament who are learning how to take advantage of the loopholes in Bill C-22. A magazine called *Quest* is distributed from home to home. In the February, 1977, issue there is an article entitled "Your money—how happy marriages can pay off in real cash at tax time", by William Scott. The article reads:

She's a wonderful woman, your wife. But now there's some even better news. She's more wonderful than you realized—she's worth money to you. Real, hard cash that you can put in your pocket.

It's all thanks to the government, which has devised a number of nice tax advantages for the married couple. Yet surprisingly, few married couples take advantage of the breaks available.

Don't just think of her as friend, companion, lover, and helpmate. She also could be the best tax shelter known to man.

Most of the tax advantages available to the married man flow from a sharing of property.

The hon. member says he knows that. He designed the tax system and he stands to benefit from it. The article goes on:

Perhaps that's why so few Canadians take full advantage of them. There is still an unrealistic, macho attitude around that says the man is supposed to have the money while the woman has the kids. Indulging that kind of attitude will cost you hundreds of dollars in taxes you don't really have to pay. For those of us who'd simply rather have more hard cash, here's some good news:

For a start, if you're earning about $30,000 and have the family house in your name, you're being about $500 unrealistic.

With a taxable income of about $30,000, your marginal tax rate—the rate charged on the last dollar you make—is 51 per cent, even if you live in Ontario (we shudder to think what it is in Manitoba). That means a $1,000 tax deferral will actually save you $500 in cash you will otherwise have to pay in taxes. That's $500 of real, extra cash in your pocket.

● (1640)

Here's the catch: that $1,000 deferral is available to you only if the family house is not in your name, nor held in joint tenancy, but is in your wife's name.

If you do not own a house now, you are entitled to deposit up to $1,000 a year for ten years in a registered home ownership savings plan. You are allowed to have only one of these plans in a lifetime. Once you have deposited for ten years, you are not entitled to make any further deposits.

But until then, your annual contribution is deductible for tax purposes. And, even better, you can get the money out tax free if you spend it to purchase a house, or to purchase furnishings or improvements to a house.

Those 10,000 tax-free dollars can be your down payment on a summer place. They can pay for the antique furniture you've always wanted. They can even give you a heck of a start at building that addition you've been planning to put on the back of the house. And while you're saving the $10,000, you're also saving $500 cash every year in income taxes. So—putting your house in your wife's name is worth about $500 a year. When you are old and gray and full of years, you'll pay a lot less in taxes if you are both drawing pensions.

The first $1,000 of annuity income from a registered pension plan at age 65 is tax-free. That's why it makes a lot of sense for you, as you are making deposits into a registered retirement savings plan, to make them not in respect of yourself, but in respect of your wife. The normal pension plan your employer operates has to be paid out to you. But an RRSP—whether it is a group RRSP at work, or a personal plan you are setting up—can provide a pension for your wife. The contributions to the plan are still deductible from your income for tax purposes. The limit on the size of your contribution—$3,500, less any moneys that you have been contributing to a company pension plan, or 20 per cent of your income—whichever is smaller—are the same if you are contributing to an RRSP for your wife as they are if you are contributing to your own plan. If you do not belong to a plan, the contribution limits are $5,500, or 20 per cent of income—whichever is smaller.

Setting up an RRSP for your wife can also provide you with some relatively short-term advantages. If she is not employed, she can draw the money out of the plan, and although she will be taxed on it when she draws it out, the total income in that year will be so small that the tax should be minimal. This is not to suggest that you can get into the habit of contributing to an RRSP for your wife every February 28th, and having her cash it in every March 1st. The contributions—like all transactions that have tax effects—must be genuine transactions.

But if a need for the money does arise, she can cash in the plan, and the money will be taxed at her rate—not yours.

The Department of National Revenue will depend on insurance companies, trust companies and banks to report withdrawals from the plan. I can just see them reporting that. I continue quoting:

But the real advantages of establishing pension income for your wife are at retirement. Then you will not only have two incomes—and therefore be taxed at a lower rate—but you will also have two pension income deductions of $1,000 each. The savings are really quite substantial.

The article continues:

Why settle for $1,000 worth of tax-free interest income when you could have more?

Your first $1,000 worth of interest income from Canadian sources is tax-free. Any interest costs you have to pay in order to earn this income—if, for instance, you borrow the money which you use to invest to earn interest—is also deductible against your income.

The same goes for your wife—and even better, if she earns some interest income, you are entitled to claim the rest of her $1,000 interest deduction against your income.

The next point is really interesting. I continue quoting the article:

Let's say you have $100,000 lying around the house. You decide to give it to your wife. She invests it at 10 per cent, and makes $10,000 on it in the first year. The attribution rules bring this income into your (the husband's) hands, and the $10,000 income is taxed at your rates. It's stacked on top of the other money earned and taxed at your marginal rate, not at hers. On the other hand, let's say you lend that $100,000 to your wife. You draw up a reasonable repayment schedule, have it notarized. She still invests it at 10 per cent, and still makes $10,000, but now the $10,000 is taxed in her hands, and at her lower marginal rate.

Like any transaction that has tax effects, the loan must be a real transaction. The Department of National Revenue had held that this means there must be a repayment schedule that is reasonable as part of the loan agreement, but there does not have to be an interest charge associated with the loan. And the loan has to involve money, not property. You can't lend your shares of Imperial Oil to your wife.

How big are the potential tax savings? Well, let's once again take an extreme case. Let's say your marginal rate is 50 per cent, and let's say the income that can be generated by the money you're going to lend to your wife is $10,000. If it is taxed in your hands, you'll be permitted to keep less than $5,000 of it (as your income climbs above $30,000, the marginal rate increases above 50 per cent). If you lend it to your wife, and it's her sole income, her taxes will be, at the most $3,000. Your minimum savings is $2,000.

The next point bears emphasizing:

If you work for yourself, it makes good sense for your wife to work for you too.

If you are a self-employed person, it may make sense to incorporate, and it will make good sense for you to employ your wife. The money you pay her will be money you don't need to run the household, and it will be money that will be taxed at her lower marginal rate rather than at your higher rate.

This doesn't mean that you can have your wife pick up the mail at your Post Office box every morning, and put her on the payroll at $25,000 a year. The income tax people stipulate that the salary you pay your wife must bear a reasonable relationship to her real contribution to the business. But even if you pay her only $1,000, and your marginal rate is 50 per cent, you have saved about $500 in income taxes.

On incorporation, you can make your wife a shareholder. She will then be in a position to draw dividend income from the company, and the dividend income can be reasonable—not in relation to her actual contribution to the company, but to its total earnings. This can have dramatic effects on the tax bite taken out of the money that is finding its way into your home.

Your wife's total income that year could be $13,000 in dividends. Her total tax liability will be zero. The company paid tax on the dividends coming out at the small business tax rate, and it's better than increasing your income over the $25,000 amount.

Some serious questions arise in connection with these matters. I continue quoting:

What happens if, after I do all these things, my wife runs off with the milkman?

There are two answers to that.

The first is that, despite the escalating divorce rate, most marriages don't end in divorce.

The second answer is that planning your financial life as though your marriage were going to end that way is one of the worst possible ways to run a marriage. Personal financial consultants are often closely involved in marriage breakdowns. They say financial misunderstandings have put more marriages on the rocks than adultery ever has.

And that brings us to the big non-financial bonus you'll gain from making the kinds of income-splitting arrangements described here. You can't make them without talking to your wife about the family's real financial position. You can't make them without involving her. And the marriage counsellors we've talked to tell us that kind of mutual involvement in money matters is a great tonic for a marriage.

So forge ahead. Realizing what a great tax shelter your wife can be not only makes financial sense—it's good for the marriage, too.

So there you have it. I did not know that the government, instead of operating an income tax system, was really providing marriage counselling. It just shows you how you can get all screwed up in this place. We have made a comparison. Asking the Liberals to organize and be responsible for a tax system is like putting Count Dracula in charge of the Red Cross blood bank. We have often stated that opinion. This is again borne out in Bill C-22. So much for helping the homeowners and the wealthy in this country with the various kinds of finagling that can go on with the income tax system.

● (1650)

The hon. member for Sault Ste. Marie (Mr. Symes) said that the registered home ownership savings plan was established to help young couples save for a home. We subscribe to that. All members of this House, regardless of their ideology, recognize that there is a great need to assist young people who are today trying to save a nest-egg in order to be able to purchase a home. When that plan was introduced by the then minister of finance, who has now departed for the upper echelons of Bay Street, we held our criticism. We thought there were certain drawbacks, but we muted out criticism. On the surface at least there were some advantages to which everyone could subscribe. However, the plan is now being abused. When the plan was set up, loopholes were included in it. Is there no logical, fair-minded person in this House? I stated that the principles of our model of a tax system are redistributiveness, equity and progressivity. I challenge any member of this House to stand and say that the Registered Home Ownership Savings Plan is fair.

An hon. Member: I challenge you to sit down.

Some hon. Members: Hear, hear!

Mr. Rodriguez: Is there any member of this House who thinks that the Registered Home Ownership Savings Plan as presently constituted is fair and equitable? It is a tax haven, a

way for people to dodge their rightful responsibility to support this country. If every Canadian taxpayer took advantage of these programs, who would pay to keep this country going?

Mr. Peters: The poor people.

Mr. Rodriguez: Yes, the poor people, the elderly people, as well as the miners in my area and those in Sault Ste. Marie, Timiskaming and Cape Breton. It is these people who pay the administration costs of government. Therefore, my plea today is for the little people of this country, the low wage earner, the disenfranchised.

I want to return to the registered retirement savings plan. That program is also abused. If this minister would stand and say that he is prepared to make changes that would plug the loopholes, we would immediately give our support. I would consider that a victory of sorts for the low income people of this country. However, I do not expect the minister to do that. He had his chance. The registered retirement savings plan is supposed to help thrifty people. No fair-minded person would say that is not a good idea. It is good that younger people are allowed to put money aside for their retirement. They should be able to write off that amount for income tax purposes. However, it is not designed to help thrifty people. It helps the wealthy in a very direct way, the wealthy who have extra income on which they do not want to pay tax. Therefore, this has become another tax shelter. That is our quarrel with these programs and the registered retirement savings plan in particular.

In 1974 there were 3,580,000 people in the $5,000 to $10,000 income bracket who recorded $123,471,000 in RRSP deductions, an average of $34.49 each. In contrast, there were 274,009 people in the $25,000 plus bracket who had an average deduction of $1,501.76.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

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

Notice of motion No. 4, the hon. member for Ottawa-Vanier (Mr. Gauthier). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Stand at the request of the government. Notice of motion No. 7, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Stand at the request of the government. Notice of motion No. 10, the hon. member for Egmont (Mr. MacDonald). Shall the motion stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Stand at the request of the government.

Mr. Goodale: Mr. Speaker, you will soon be coming to motion No. 14 standing in the name of the hon. member for Wetaskiwin (Mr. Schellenberger). I understand there is agreement to proceed with that item today.

Some hon. Members: Agreed.

* * *

ADMINISTRATION OF JUSTICE

SUGGESTED REQUIREMENT OF WITNESSES AT CORONERS' INQUESTS

Mr. Stan Schellenberger (Wetaskiwin) moved:

That, in the opinion of this House, in consultation with the provinces, the government should take such steps as will ensure that all required witnesses are in attendance at future coroners' inquests in the provinces or territories.

He said: Mr. Speaker—

An hon. Member: Don't talk about income tax.

Mr. Schellenberger: Anything would be better now than income tax. The worst air disaster in the history of the Canadian Arctic occurred on October 30, 1974, when a Lockheed Electra transport plane crashed 2½ miles short of the landing strip at Rea point on Melville Island. Thirty-two men were killed as a result of the crash of the four-engine cargo-passenger aircraft which was owned and operated by Panarctic Oils Ltd. The aircraft was on a routine biweekly flight to change drilling crews at the site of one of Panarctic's operations. Three miles short of the landing strip, the plane was put into a nose-down position and power was reduced, thus increasing the rate of descent and making impact with the sea ice, far short of the runway, inevitable. Of the 34 passengers and crew on board the flight, 31 were killed immediately. The three survivors were exposed to a chill factor of some 75 degrees below zero Fahrenheit until they were rescued approximately two hours after the crash. The flight engineer, Gary Weyman, and the first officer, David Hatton, survived the crash, but a passenger who had survived the initial impact died on the way to hospital in Edmonton. The cause of the crash was not immediately known.

• (1700)

Since October of 1974 the circumstances surrounding the accident have been subjected to three official investigations. The initial inquiry and inquest conducted under the authority of the coroner's ordinance of the Northwest Territories was one of those. Due to the limited powers of the inquest to establish the true facts of the crash, two subsequent investiga-

tions were necessary. The Ministry of Transport conducted the investigation of the accident and Judge W. A. Stevenson was commissioned on November 20, 1975, to conduct an independent public inquiry into the circumstances surrounding the crash of the Lockheed Electra.

Only with the publication on June 29, 1976, of the evidence uncovered by the last inquiry was all the available information given to the public. It was a full 20 months after the accident before all relevant evidence was presented to the public. Relatives of the passengers killed in the crash, and relatives of the crew members, were left in a state of limbo during this time period. Civil suits were stalled and allegations and rumours concerning the captain of the Electra, Brian Thomson, were allowed to proliferate.

The prolonged time period between the actual crash and the release of the report of the independent inquiry was due to one further factor—the inability of the coroner, Mr. Walter England, to subpoena witnesses at the time of the inquest if their place of residence was outside the Northwest Territories. As a result, the two most important witnesses, the two survivors of the crash, were not in attendance at the inquest. Because the co-pilot and the flight engineer resided outside the Northwest Territories, and thus outside of the jurisdiction of the coroner, there was no way of compelling these men to attend. The jury was thus denied the best evidence available for determining what had caused the crash.

Section 21 of the Coroner's Ordinance of the Northwest Territories stipulates as follows:

> A coroner may issue a summons in Form H respecting any person, who in his opinion, may be able to give material evidence at an inquest requiring him to appear at the time and place mentioned therein, to testify to all matters within his knowledge relating to the subject matter of the inquest and to bring with him and produce any document, book, paper or article that he has in his possession or under his control relative to the subject matter of the inquest.

While the powers outlined in the ordinance are extensive, and no doubt effective in most cases where witnesses are residents of the Northwest Territories or provinces, depending on where the inquest is held they are useless in terms of compelling the presentation of evidence from witnesses who normally reside outside the area of the inquest in this case. With respect to the Panarctic crash, the limited jurisdiction of the coroner entirely frustrated the inquest. The two survivors were both in the cockpit of the aircraft at the time of the crash and could have provided the jury with important information concerning the last two minutes before the crash.

Up until the last two minutes the plane had been in a normal descent pattern. At a point approximately three miles from its destination the aircraft, which had been travelling some 300 feet above sea level and 250 feet above the Rea Point airport, went into an abrupt descent and struck the sea ice. It broke up on impact, with the bulk of the craft ultimately breaking through the ice. The jury, however, was denied a first-hand account of the pilot and crew's actions and reactions during the last two critical minutes of that flight. In addition to the two crash survivors, several employees of Panarctic Oils Limited refused to testify at the inquest and could not be subpoenaed to attend the coroner's inquest because they were outside the coroner's jurisdictional boundaries. Important background information concerning the procedural operations and regulations of both the Rea Point airport and Panarctic Oils Limited was thus unavailable to the jury.

The lack of jurisdictional authority of a coroner's inquest is, or should be, a matter of general concern to all Canadians. In this particular instance the type of plane involved is commonly used all over the country. If there had been some defect in it or in the way it is commonly operated which contributed to this disaster, the Canadian public had a right to know about it within a shorter period of time than 20 months. The north, in particular, depends upon air transportation and the people of the north should be able to have some confidence in the safety of their air transportation.

Further, this was one of the few occasions when members of a turbo-prop or a jet plane's flight crew survived a crash. Their testimony as to what happened in the last few moments was potentially of great value in preventing similar tragedies in the future. The Panarctic disaster clearly indicates the need for legislation making it possible to compel the attendance of witnesses at an inquest, even if they live without the boundaries of the province or territory concerned. Since coroners come under provincial jurisdiction, this would probably require legislation by all provinces, a thing not always easy to achieve. But it is surely in the interests of every province that an inquest investigating a crime or an accident anywhere in Canada should be able to get the evidence that it needs.

For more than a year after the accident public suspicion and ignorance surrounding the incident remained unanswered and undealt with. This situation could have been avoided if the jurisdictional authority at the initial inquest had been broader. Despite the competence of the jurors, they were unable to arrive at a conclusive interpretation of the events leading up to the crash. Realizing their inability to gather all the evidence, the jury recommended that a federal inquiry be set up to investigate the crash. It is also significant that one of the jury's 14 recommendations was that the powers of the coroner be broadened to enable him to subpoena witnesses from anywhere in Canada.

Despite the evident need for a public investigation, the government stalled and delayed the establishment of an independent public inquiry. Frustrated and concerned with this inaction on the part of the government, I rose in the House of Commons on July 25, 1975, as recorded at page 7935 of *Hansard* to ask the then minister of transport, Mr. Marchand, the following question:

> Will the minister request that another inquiry be sought in Alberta so that the co-pilot and flight engineer may be subpoenaed to attend and this whole matter can be cleared up?

● (1710)

Mr. Marchand, the minister at that time, replied to the effect that he was studying the question and would give me an answer at a later date.

During the same summer, my hon. friend from Okanagan-Kootenay (Mr. Johnston) also questioned the then minister of

transport as to whether he would establish an independent inquiry into the accident. Mr. Marchand was evasive in his reply and would offer no commitment that an inquiry would be launched. Still there was no action on the part of the government. Realizing that it was choosing to ignore pleas from the House of Commons, I issued a press release in August of 1975 in the hope that the public, once made aware of the situation, would pressure the government into taking action. Finally, on November 20, 1975, Judge William Stevenson of Edmonton was ordered by the government to conduct a full public inquiry into the crash.

The delay in setting up the inquiry can only be regarded as irresponsible. Mechanisms for carrying out a full inquiry were available to the federal government which alone had the jurisdictional authority to summon witnesses regardless of their place of residence in Canada. Yet the inquiry was consented to only after substantial pressure from both within and outside the House of Commons.

The reluctance of the federal government to establish a full inquiry highlights the need for joint action on the part of the federal government, the Northwest Territories and the ten provinces to broaden the subpoena powers of coroners. In this case it would have been more efficient, and much less heartbreaking, for the relatives of those killed in the crash if the initial inquiry had been able to assemble and analyse all the evidence. As it was, relatives of those killed in the crash were still trying to obtain death certificates for the victims a year and one-half after the accident. Settlement of estates was held up because of the unavailability of death certificates. When they did become available, some relatives were forced to travel to the coroner's office in Yellowknife and pay a fee in order to obtain them. As a result of the circumscribed nature of the coroner's power of subpoena, three inquiries were necessary and 20 months had to pass before the facts were known to the public.

The minister of justice, on November 3, 1975, acknowledged the feasibility of action to extend the jurisdiction of coroners. In reply to a question from the hon. member for New Westminster (Mr. Leggatt), he stated:

> The solution to that problem is the enactment by the provinces of a uniform reciprocal recognition of subpoenas as was recommended a year ago by the uniformity commissioners. I urge provincial attorneys general to consider that report carefully and to act upon it. I would be happy at my meeting with the provincial attorneys general to raise this issue with them.

A co-ordinated effort on the part of federal, provincial and territorial authorities is essential to a successful attempt to extend the subpoena power of coroners. I strongly urge the federal government to take the initiative in bringing the necessary provincial and territorial officials together so that they can agree upon the means of changing existing coroners' ordinances. While it is clear that the subject falls under provincial jurisdiction, this is an obvious case where the federal government must accept its role as co-ordinator and urge the officials involved to consider the matter.

It was imperative from the beginning that the true story of the Panarctic crash be made known to the public, and it was extremely unfortunate that the facts were so long in coming to light. It was not until June 29, 1976, that Judge Stevenson revealed that the immediate cause of the accident was the action of the crew. Judge Stevenson held that captain Thomas's incapacitation was probably attributable to a cerebral seizure, and his conclusion that there had been a physical malfunction on the part of the captain relieved concern about the airworthiness of Panarctic's Lockheed Electra.

Aircraft are essential in the north to many of our activities. The numbers of flights are increasing substantially each year. Looking at the statistics, one sees that at Yellowknife and Inuvik the number of flights have more than doubled in a five-year period. It becomes imperative that the situation to which I have referred be looked into. Also, I regard the establishment of an independent inquiry commission to investigate transport accidents within federal jurisdiction as a crucial priority.

The hon. member for Dartmouth-Halifax East (Mr. Forrestall) has introduced a private member's bill to this effect, and I strongly hope that members on both sides will lend their support to this legislation. As outlined in the explanatory note to Bill C-220, the commission would have exclusive but selective authority as against any other federal body to investigate all accidents resulting in death, injury or property loss occurring on any means of transportation under federal authority. Such a commission would help avoid conflicts of interest arising in cases where transportation accidents are investigated by the federal body which is responsible for making and enforcing the rules under which the transportation system operated when the accident occurred.

In conclusion, I should like to reiterate the importance of taking action to extend the power of subpoena enjoyed by coroners. Only when such broader powers have been conferred can Canadians be confident that all the evidence needed for a proper inquest will be presented.

Mr. Ian Watson (Laprairie): Mr. Speaker, first, I should like to congratulate the hon. member for Wetaskiwin (Mr. Schellenberger) for moving this motion today. It is one which should receive the full attention of both this House and the government, and I hope today's debate will result in action on the part of the government.

The problem which the hon. member has outlined with particular reference to the Panarctic inquest has brought the circumstances into focus. It is one which has existed for a long time, however. From time to time accidents take place involving people from different provinces. Inquests are held, and while attendance at those inquests is often arranged voluntarily, from time to time this is not possible and testimony which is vital to a fair conclusion is missing. The basic difficulty is that there is at the moment no power to compel attendance of prospective witnesses who are outside the province or territory in which the inquest is being held.

• (1720)

The Supreme Court of Canada has held in a recent case, *Faber v. The Queen,* 1976, that a coroner's inquest is not

criminal in nature, but civil. Accordingly, there is no federal jurisdiction with respect to the compelling of attendance by witnesses at coroners' inquests. At present, civil rules of procedure in each province empower a provincial court to issue a commission to take the testimony of a person or persons resident out of the province if this testimony is deemed necessary for a civil suit within that province. This, however, is the kind of process which is subject to many delays. It is not the sort of legal process which you would want to have in order to obtain the evidence of witnesses while their memory of an incident or of an accident is fresh in their minds.

It is essential for the efficacy of the inquest procedure that witnesses come before the inquest as soon as possible after the accident. There has been a move in Canada to achieve uniformity, and the uniform law conference has recommended a draft interprovincial subpoena act. I understand that this legislation has been adopted in Manitoba, British Columbia, Newfoundland and the Northwest Territories. Although the model act does not contain provisions per se subpoenaing witnesses to coroners' inquests, it nevertheless contains sufficient flexibility to allow the law to be amended to include that kind of proceeding as well as proceedings before bodies other than normal court bodies. It is this sort of approach which, I am convinced, will produce the kind of result which the hon. member is seeking in advancing this motion today.

Since I am strongly in favour of what he is suggesting, I do not want to hold up the proceedings any further. I urge the government to listen to what has been said today, and I urge the Minister of Justice (Mr. Basford) to include this question on the agenda of his next meeting with provincial ministers of justice, to push for the adoption of the suggested draft interprovincial subpoena act of the uniform law conference, and to urge that this act include the flexibility necessary to permit the subpoenaing of witnesses not only to coroner's inquests but also before other bodies.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I regret that the hon. member for Nickel Belt (Mr. Rodriguez) is not here to speak, but I am pleased that this matter has been brought before the House, not only the specific case in which the hon. member is interested and the fact that the government and the Department of Transport in particular seem to be running interference for insurance companies, but the fact that inquests have not really been effective because the people who know the story are not usually present. If the passage of this motion will clear up the matter, I am certainly in favour of it.

I am also interested in another accident the circumstances of which were very similar. It happened in Fraserdale, northern Ontario. I am interested in it because obviously we will have to do something about navigational aids and the assistance provided in those areas. Again, in that case, the Department of Transport is running interference for everyone. Information that had come out at the inquest is not available now, and the reports are secret. A couple of private reports are not available. It seems to me that information produced at an inquest should be right out in the open and the Department of Transport should not run interference for de Havilland aircraft company or the manufacturer of the particular machine. Yet that appears to be the case. They either protect the insurance companies or they protect the companies which manufacture the aeroplanes. The right questions should be asked at an inquest, and the people who can answer those questions should be available, whether they are from the Northwest Territories or any other province. Anything else is totally unsatisfactory.

This afternoon I was discussing the safety factor with a couple of gentlemen who told me that a number of inquests had been held in that area but the reports that were made do not cover a number of important aspects. In both cases there were fatalities and both cases involve aluminum wiring. Everyone knows that aluminum wiring is dangerous and causes fires. The CSA in this country is powerful enough to involve interest groups, but they make no recommendations for a change. In fact, the people who make recommendations at inquests are not the people who should be called. They are the people who protect vested interests.

Three young people died in Ottawa as a result of the use of aluminum wiring. It is difficult to provide a proper connection on aluminum wiring for a single reason which is well documented and pictures are available showing what happens. The fire marshall at the coroner's inquest co-operated with vested interests to ensure that people did not get to the root of the problem. In my opinion the coroner's inquest is not the place where blame should be assessed. That can be done in civilian courts.

In the case of the accident in the Northwest Territories, it is difficult to see what the reason for the accident was because in my opinion there has been insufficient investigation and not enough information made available to enable the coroner's jury to reach a decision. The same was true in the Moosonee area accident in which a number of senior hydro officials and of band 9 council members were killed. It was also true in Sudbury where an inquest was called after a man had been killed and the union charge was that the working place was unsafe. INCO then went in and blasted the rock, thus getting rid of the site. When the jury wanted to look at it, it no longer existed. So it was all right for them to destroy the site, it was all right for them to eliminate all the fixtures in the electrical system which may have caused the fire, and it was all right in the case of the air crashes to make the people who were operating that equipment unavailable. But it is a hell of a way to provide justice. It is a hell of a system.

We should be allowed to find out exactly what happened; the information should be available at the inquest, and the chips should fall where they may. However, in all cases those people will probably end up sitting on coroners' juries making recommendations to prevent accidents, fires or fatalities from other causes in the future.

● (1730)

In a democratic system eliminating the problems we know about is the responsibility of everyone, and I hope that the passing of this motion this afternoon will mean that some of

the problems connected with coroners' juries and in connection with bringing witnesses before coroners will be solved.

Mr. Mike Landers (Parliamentary Secretary to Minister of Justice): Mr. Speaker, first I would like to congratulate the hon. member who took the initiative in bringing forward this motion. I have been here only approximately three years, and this is the second good idea brought forward by hon. members opposite.

At any rate, I spoke to the Minister of Justice (Mr. Basford) today, and he wanted me to assure the hon. member that he will raise this matter once again with the provincial attorneys general. He is sympathetic to the hon. member's motion, and we do not intend to talk this motion out.

Some hon. Members: Hear, hear!

Mr. Landers: The hon. member for Winnipeg North Centre (Mr. Knowles) suggested last Friday we should do this more often.

Mr. Kaplan: So did the Tories.

Mr. Landers: So did the hon. member for Grenville-Carleton (Mr. Baker). In any event, there are a few short notes I would like to put on the record.

Legislative jurisdiction with respect to coroners' inquests is provincial or territorial, as the case may be, and not federal. Coroners in the territories have the power under territorial ordinances to subpoena witnesses, and this works well so long as the witnesses are in the jurisdiction. However, if the witnesses are somewhere else, there is no way for the coroner to compel them to appear. He just does not have jurisdiction outside the geographical area for which he is appointed. This problem is not unique to the Northwest Territories or the Yukon; coroners appointed under provincial statutes have the same problem.

The problem in the Northwest Territories came into sharp focus about two years ago in connection with the crash of a Panarctic airplane on October 30, 1974. Thirty-two people died in that crash, but two crew members survived. When the coroner was conducting his inquest, he naturally wanted to have the two surviving crew members attend to give evidence. They were outside the Northwest Territories and refused to go to the inquest. The eventual result was that the federal government, on the recommendation of the then minister of justice, appointed a judge under the Inquiries Act to conduct an inquiry into the crash, and under the Inquiries Act the judge had jurisdiction throughout the whole of the country, quite unlike the coroner, and he was able, therefore, to obtain all the necessary testimony.

The problems which arose in connection with the Panarctic inquest demonstrated how important was an earlier recommendation of the Uniform Law Conference of Canada. That conference, which was composed of provincial, territorial and federal government representatives, adopted in 1974 a uniform interprovincial subpoena act. This uniform act provided for a procedure for compelling the appearance of witnesses located outside the territorial jurisdiction of the relevant province or territory. This act was intended to apply not only to ordinary courts but also to subpoenas issued by coroners.

At the time of the Panarctic inquiry the Department of Justice suggested to the officials of the government of the Northwest Territories that they consider having discussions with provincial officials with a view to all jurisdictions enacting the uniform interprovincial subpoena act so that there could be procedures for compelling the attendance of witnesses who are outside the jurisdiction of each territory and province, and so that the statute could apply to coroners and to subpoenas issued by coroners. The officials of the Northwest Territories were very interested and attended at the very first opportunity to take up the matter with the provincial governments.

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I shall be very brief. I want to make only one or two comments. First, I want to compliment my colleague, the hon. member for Wetaskiwin (Mr. Schellenberger), for bringing this very important motion before the House. If I may say so, I was very pleased to hear the Parliamentary Secretary to Minister of Justice (Mr. Landers) indicate that this will not be talked out, because it is indeed an important motion.

The hon. member for Wetaskiwin clearly demonstrated the need for federal co-ordination with his comments about the Panarctic crash. There is no doubt that a co-ordinating effort on the part of the federal government, and adequate investigations, are of obvious importance to all of us.

Historically coroners' inquests were primarily to determine how, when, where and by what means death occurred in particular accidents. There is an important component to coroners' inquests, to which my hon. colleague referred, and that is the necessity of adequate information, information from witnesses and other information which is required so that juries can assess adequately the circumstances surrounding accidents. The reason for that is obvious. When a coroner makes his charge to a jury, he points out very clearly that it is important to determine how, where, and by what means an individual died, but he also takes great pains to indicate to the members of that jury that from all the information presented to them, recommendations can be made by the jury. I simply want to say that this is a very important function of juries. All of us who have been involved in this area are well aware of many excellent recommendations which have been made by juries at coroners' inquests and that in fact their recommendations have effectively prevented similar accidents from recurring.

Again I want to compliment the hon. member for Wetaskiwin for presenting this motion. I was delighted to hear the parliamentary secretary indicate that hon. members opposite will not talk it out. I also hope that the government and the Minister of Justice (Mr. Basford) will act with immediacy on this important motion.

The Acting Speaker (Mr. Turner): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I wish to thank the parliamentary secretary, and to suggest that it would be appropriate if we called it six o'clock.

The Acting Speaker (Mr. Turner): The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight o'clock.

At 5.40 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-22, to amend the statute law relating to income tax, be read the third time and do pass.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, as I was saying in my few remarks before private members' hour this afternoon, the Registered Home Ownership Savings Plan is one aspect of the tax system that we, on this side of the House, believe provides more than one tax loophole for people who participate in the program in certain ways.

During the supper hour I was visited by a friend who described a new wrinkle to the Registered Home Ownership Savings Plan. The more I hear about this program the more I am convinced it must have more ways than Masters and Johnson in its application.

An hon. Member: Who is Masters and Johnson?

Mr. Rodriguez: The hon. member knows who Masters and Johnson are. Here is a new wrinkle. A man and a woman, married, buy a home at the beginning of January and put it in her name. Then he establishes a Registered Home Ownership Savings Plan and for five years pays $1,000 each year into it. At the end of the five years it has accumulated interest and there is about $6,000 in it. At that point her mortgage comes up for review.

● (2010)

What does she do? She sells him part ownership in the home, for which he pays her $6,000. She then goes down to the bank; it is review time for the mortgage and she puts $6,000 against the outstanding mortgage. And, voilà, what is the result? The Registered Home Ownership Savings Plan is prostituted again. That is a new wrinkle. There is nothing illegal about it. But that is the kind of thing we have tried to draw to the attention of the House.

If time had permitted, we would have driven home these points to the minister and done our best to obtain changes in Bill C-22. It is my job to draw attention to clauses of the bill to which we object. We must bring home the injustice of this particular clause to the majority of taxpayers in Canada who cannot afford to take advantage of that kind of loophole.

Peter Myers wrote in the Ottawa *Citizen* of December 6, 1976, that the RHOSP is amazingly generous. It helps people who expect to buy homes in the future, families who want summer cottages, and even couples who are quite satisfied with their homes already. But like the other deductions, the wealthy benefit way more than low income earners. As I shall show, the facts bear out the truth of this contention.

For those earning less than $2,000 the average amount of grant was $105.21; for those earning between $2,000 and $5,000, the amount of grant was $203.18; for those earning between $5,000 and $10,000, the amount of grant was $264.93; for those with incomes between $10,000 and $15,000, it was $309.93. Those earning between $15,000 and $20,000 received grants of $365.80. For those with incomes between $20,000 and $50,000 the amount of grant was $462.11, and for those with incomes exceeding $50,000, it was $571.06. Those facts clearly show that the rich are getting richer. People at the bottom of the income scale for whom, presumably, the Registered Home Ownership Savings Plan was designed and who have the greatest need, got peanuts.

As we have tried to show in this debate, our model of the tax system is based on three principles: first, the redistributive principle; second, the equity principle; and third, the progressivity principle. I do not know if anyone in the House can tell me if this measure which we are debating is based on any of those three principles, or on all of them. In our minds there is no question but that the kinds of loopholes we have been discussing permit high income earners in this country to avoid paying their fair share of taxes which are needed to support the country, and programs which are absolutely necessary if there is to be stability and equity for the people of this country.

We are not alone in our opinion. It is echoed by the National Council of Welfare. Incidentally, the head of that council turned down an opportunity to sit on the Tory policy advisory committee. I find that extremely interesting. That council can by no means be described as a group of left-wing radicals, and this is what it says. I quote:

> Imagine a minister responsible for housing announcing a new program of federal-provincial grants intended to encourage home ownership. These grants would vary by a person's income.
>
> Of course such a program is unthinkable. The idea of a grant that increases with income would cause a furor in parliament and among the public. A minister of housing who would suggest such a program in the privacy of a cabinet meeting would be laughed out of the room—not to say out of the cabinet.
>
> However a former finance minister announced just such a program in the November 1974 budget and it became law. The program is called the Registered

Home Ownership Savings Plan—another of the savings incentives built into the Income Tax Act.

The purpose of Registered Home Ownership Savings Plans is "to assist young people in accumulating the capital required for a down payment on a house." One could wonder how many young people are in the income groups that derive the substantial benefits. It is certainly interesting to note that among persons making between $5,000 and $10,000 a year, only one in 49 took advantage of this provision. In the income range between $10,000 and $15,000, one in 32 opened up a plan. However in the $50,000 or more income group, the figure was one in 16.

I will not belabour the point. It is obvious, according to the National Council of Welfare and other statistics which have been quoted, that the wealthy are overwhelmingly taking advantage of this generous program. One in 16 of those earning more than $50,000 a year has taken advantage of the Registered Home Ownership Savings Plan.

The loopholes under the plan are indeed lucrative. As I have shown, the plan can be prostituted in all sorts of ways. I draw attention in this regard to the homeowners' dodge whereby many have transferred their property to the wife's or husband's name and taken a tax deduction for a contribution to a Registered Home Ownership Savings Plan. For example, if a man's income is higher than his wife's he might use the scheme as a handy way of saving taxes while at the same time building up a tax-sheltered fund. Any interest earned by this fund is tax free. If the taxpayer contributed $1,000 for ten years at 8 per cent annual interest, the fund would build up to $15,645. A taxpayer in a 30 per cent tax bracket for the top portion of his income would save $300 a year in taxes. If this $300 were invested at 8 per cent per annum, it would amount to nearly $4,700 in ten years. Thus, by contributing $1,000 a year for ten years a nest egg of more than $20,000 would be accumulated.

As I said, one partner in a marriage can become eligible by selling his or her share of a home to the other partner. The share would be sold by the partner with the higher income, who can make the best use of the RHOSP. The tax-free savings can be used to buy a second home or even—imagine this—to buy back the same home from the partner who owns it. That is a new wrinkle. I know that the minister can get up in this House and say, with the help of his charts and figures, that X percentage of the people have done this or done that. We know that the program is available to any Canadian who can afford to take advantage of it. Unfortunately, few are able financially to take advantage of the program. Therefore it is not used for the purpose for which it was designed. It has become a tax dodge.

Not long ago I asked, rhetorically, that if every single Canadian were to take advantage of the RHOSP program which I have described, and take advantage of the RRSP, who would bear the tax burden for those other programs which our country needs and which must be supported? How many would bear the burden? There would be very few people. We know who they are. As was pointed out this afternoon, it would be the poor people and the pensioners who would probably carry the burden.

● (2020)

Let us look at the twin program of the RHOSP, and the RRSP. Let us look at the benefits of the Registered Retirement Savings Plan.

Mr. Saltsman: That is important.

Mr. Rodriguez: The hon. member says it is important. It is very important. This party has talked about a national pension scheme for a long time. What do we get? We get the Canada Pension Plan. I recognize that the buddies of the government are in the insurance companies and banks of Bay Street. The government would not want to challenge them on that. It would mean taking away a very lucrative business.

The Minister of Consumer and Corporate Affairs (Mr. Abbott) now wants to fight with the banks. He still has not paid for his airplane trip to Toronto. I want to know why not. That is important, especially when we are dealing with banks, their power, and the way they calculate interest on the savings of Canadians.

The Registered Retirement Savings Plan is supposed to help thrifty people put money away for their retirement.

Mr. Saltsman: Only rich thrifty people; poor thrifty people do not have any money.

Mr. Rodriguez: I wish the hon. member would not talk like that about the hon. member for Ottawa-Carleton (Mrs. Pigott). She is just a poor little person.

Mrs. Pigott: Here is a present for you.

Mr. Rodriguez: It isn't ticking, Mr. Speaker. I think I am being bribed. Some people will do anything to get me to close my mouth and sit down. The hon. member has presented me with some cookies. This would be more appropriate for the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. MacFarlane: He eats only Arrowroot.

Mrs. Pigott: I baked them myself.

Mr. Saltsman: She thinks there's something crummy about you.

Mr. Rodriguez: I will not be swayed, Mr. Speaker. I will not be bribed.

Mr. Epp: You just were.

Mr. Rodriguez: I always wanted to get my hands into the hon. member's cookie jar.

Mr. Saltsman: Watch it. This has been a clean debate so far.

Mr. Rodriguez: Well, she has a cookie jar in her office.

Getting back to the Registered Retirement Savings Plan, this was supposed to help thrifty people put money away for

their retirement. However, it only helps wealthy people who have extra money they do not want taxed.

In 1974 there were 3,850,000 people in the $5,000 to $10,000 income bracket. They recorded $123,471,000 in RRSP deductions. That is an average of only $34.49 each. In contrast, 274,009 people in the $25,000 plus bracket had an average deduction of $1,501.76, for a grand total of $411,470,000 in excess income socked away. That is absolutely incredible.

The income tax system is supposed to be progressive. It is supposed to redistribute wealth in this country. A former finance minister, who has gone to his reward on Bay Street, opened up these loopholes for his wealthy friends. What is fair and just when those in the average and low income bracket have a saving of approximately $34.49 in contrast to the $1,501.76 for those in the $25,000 plus bracket? It is obvious that we have a big "L" government. With those odds, the poor people lose.

I wish to quote from an article that appeared in the *Financial Post* "How Savings Grow in Tax Sheltered RRSP". I quote:

> This example compares with the accumulation of savings achieved through annual contributions to an RRSP and through a fund produced from after-tax income.
>
> It assumes an individual can, from the age of 35 on, afford to put aside $1,000 a year from pre-tax income for retirement. The effect of assuming a 50 per cent marginal tax rate throughout the period and a 40 per cent rate are compared. Obviously the higher the tax rate, the greater the advantage of tax-sheltering contributions and the interest earned. Annual interest of 7 per cent is assumed throughout the period.

With an annual investment of $1,000 in an RRSP at the 50 per cent marginal tax rate, in ten years a person would have accumulated $14,784. After 30 years, he would have accumulated $101,073. Obviously this plan is not designed for low income Canadians.

Jerry Beaulieu works 60 hours a week in a cold and wet carwash in Toronto. He earns $8,650 a year. There is no way that Jerry Beaulieu can save $1,000 a year to put into an RRSP. Can you imagine Jerry Beaulieu in his overalls and rubber boots walking into that stable establishment called the Royal Bank and saying that he wants to borrow $1,000?

Mr. Saltsman: Only if he had a gun in his hand.

Mr. Rodriguez: Yes, and we know how far he would get with that. Jerry Beaulieu's tax saving would be nothing compared to a tax saving of $470 that is possible for Lloyd Robertson who earns $100,000 a year. I imagine Lloyd Robertson could get by putting his $1,000 a year into an RRSP and getting a $470 tax saving. However, Jerry Beaulieu who works in that dank, damp carwash in Toronto for 60 hours a week and earns $8,650 could not take advantage of that program. Obviously the plan was designed for the friends of the boys in Ottawa.

We should keep in mind the real purpose of the RRSP. We are reasonable people here. I am fairly reasonable. The RRSP was touted as an opportunity for people to put away money for their retirement years. However, it has been prostituted. The loopholes are so large that elephants can walk through them. And so the RRSP has degenerated and become a tax dodging device for high income earners.

• (2030)

Mr. Saltsman: They even advertise that.

Mr. Rodriguez: Yes, that is the way they advertise them, Mr. Speaker. One has only to look at the great scramble on the part of banks, trust companies and insurance companies whose advertising is designed to get you to put your money into RRSP's. Their advertisements say: "See by how much you can avoid paying the tax man"; "Avoid the tax grab"; and so on ad nauseam. I do not think that that sort of thing is fair to the rest of the taxpayers of this country. I do not think it is fair to the 16,000 hourly rated employees of INCO. I do not think it is fair to people who work for wages on an hourly basis and who are in no position economically to take advantage of these kinds of loopholes and tax dodges. Suddenly the RRSP is the magic formula for escaping taxes and making money to boot.

I could not escape the horrendous ad campaign being conducted in the Toronto subway, which I saw the other day when I was there. There in blazing colour was an ad which read:

> How to make money make money.
>
> Start turning your nest egg into a golden future by March 1st.
>
> Both National Trust's 9 per cent "no charge"
>
> RHOSP and National Trust's "high interest"
>
> RRSP will help your money make money.
>
> It's a golden opportunity.

Just walk by any trust company's office, Mr. Speaker, and you will be confronted with similar ads.

Here is another example which I extracted from the *Globe and Mail* for Tuesday, February 8, 1977. In big black letters was an ad from Credit Foncier reading:

> There's more to your RRSP and RHOSP than tax savings.
>
> The tax savings offered by all financial institutions, including Credit Foncier Trust, are identical. That's established by law. The key features you should focus on in choosing your Registered Retirement or Home Ownership Savings Plans are: Security, High Return, Flexibility No Sales or Administration Fees.

And on and on it goes, Mr. Speaker. This is the kind of advertising which is geared toward the people who have the money to invest. Unfortunately it is not the kind of advertising that opens the door to people like Jerry Beaulieu and so many people across the country who earn less than $10,000 a year.

The loopholes in the law are incredibly glaring. They are so glaring that Revenue Canada is now concerned about tracking down and closing the loopholes and threatening to prosecute, but they say they cannot, that their hands are tied by the legislation. All the minister had to do when this bill was at report stage was to stand up in this House and announce that he would accept amendments to block these glaring loopholes which permit the tax system of Canada to be used as a rip-off, rather than as a means of collecting tax and redistributing the tax in a fair and progressive manner.

As I have said, the loopholes in the RRSP are incredibly glaring, and I have already mentioned a few of them. But there are more. Here is another article by that famous tax lawyer whom I have been quoting incessantly since last Monday because he is an intriguing person. He is Mr. Paul Dioguardi and he writes in the Ottawa *Citizen*. He has more positions in regard to using this plan than the happy hooker. He headlines his article "Retirement Savings Plan Can Be a Tax-Saving Tool Too," and the article is as follows:

Although the Registered Retirement Savings Plan has been around since 1957, its potential as a tax saving tool has usually not been fully realized. Some time ago an interesting paper covering some of the possible benefits from RRSPs was presented before an annual meeting of the Canadian Tax Foundation.

The first point examined dealt with a spousal RRSP, the second with deductible mortgage interest. In both cases, the paper used tax deductible contribution limits before the 1976 federal budget. Calculations, therefore, are not exact and are presented here for illustrative purposes only.

Our hypothetical taxpayer—let's call him John Q. Taxpayer—is married, has no registered pension plan and is in a 50 per cent tax bracket. He contributes $4,000 each year for five years to his wife's RRSP. Each year the $2,000 he saved by being able to take a tax deduction on the RRSP contribution is used to fund a portion of the contribution.

The remaining $2,000 comes from liquidating some of his income-producing investments which he later repurchases with borrowed funds. (This is necessary because interest on money borrowed to make a contribution to a spouse's RRSP is not deductible.)

At the end of the five-year period the spousal RRSP is collapsed. The value of the assets in the plan, assuming that they have been invested at 9 per cent interest compounded annually, would be $23,940.

It is then necessary to take into consideration the amount of tax which would have to be paid when the money is withdrawn from the plan. This can be set at $7,223 using 1975 tax rates and assuming that the wife has no other income in the payout year.

In addition, one must compute the tax on the lost spouse exemption in the year in which the funds are paid out. This comes to about $822 leaving a net amount in hand, before loan payments, of $15,895.

Mr. Taxpayer then must pay the bank for the $2,000 loans taken out each year. Assuming a tax deductible rate of interest of 10 per cent, his payout would be in the area of $11,500.

After working out the mathematics, it can readily be seen that Mr. Taxpayer could have realized, as a result of these transactions, a net profit of $4,395. (The result would be even better using the new $5,500 contribution limit.)

That is proposed in this bill.

Naturally tax savings are more dramatic when using the example of a person in a 50 per cent tax bracket, but the procedure may also be of interest to those at lower tax levels.

Assuming Mr. Taxpayer is a participant in a registered pension plan and has the ability, within the deductibility limitations imposed by the Income Tax Act, to contribute $1,200 each year to a spousal RRSP.

If he had a taxable income in the $14,700 range each year and follows the drill previously outlined his tax saving would be slightly more than $1,000.

A spousal plan is not the only way an RRSP can be used to save tax dollars. Another concept utilizes an RRSP to effectively convert part of a taxpayer's home mortgage interest expense into tax deductible interest. It goes something like this:

Assume our friend Mr. Taxpayer has a $30,000 mortgage on his home. It comes up for renewal every five years and there are four more years to run on the mortgage.

For some time he's been making annual contributions of $4,000 to his RRSP. These amounts have not been borrowed and, therefore, over the next four years he will have invested $16,000 in the RRSP out of his free cash.

If he could utilize the $16,000 free cash to pay down the mortgage and then increase the mortgage in order to fund the RRSP contribution, it should be possible to make the interest on the $16,000 mortgage liability tax deductible.

Instead of using his own money to contribute to the RRSP, Mr. Taxpayer borrows $4,000 from the bank and makes his RRSP contribution from these funds. The $4,000 of his own free cash is then invested in Canada Savings Bonds or other easily cashable securities which pay good interest rates.

For each of the next three years, Mr. Taxpayer follows the same procedure until he has accumulated a bank debt of $16,000 and a bond investment of the same amount.

The only cost he should incur would be the spread between the interest paid to the bank and that received from the bonds. When the mortgage becomes due he simply cashes in the bonds and pays it down by $16,000.

● (2040)

Then he increases his mortgage by $16,000 and uses this additional money to pay off the bank loan.

Mr. Taxpayer is now in a position to claim a deduction of the mortgage interest on $16,000 because that amount was borrowed in order to pay off a bank loan which was originally used for the tax deductible purpose of contribution to an RRSP.

Although both of these alternatives may be of some interest, taxpayers should be cautious in tailoring their tax planning to fit the particular situation. Otherwise the result could be financially unpleasant.

Looking through this proposal, Mr. Speaker, one can readily conclude that it is not lower income Canadians who would be able to profit from the kind of advice which people like Mr. Dioguardi are able to provide with respect to investments in connection with the RRSP program.

We in the New Democratic Party are also completely and unconditionally opposed to clause 65. This clause is one in connection with which we requested extra time for discussion, because at the time the debate at the report stage ended only some two and one-half or three minutes had been spent on clause 65. This clause means that the surtax on high income earners will be in effect only for 1976. The Minister of Finance (Mr. Macdonald) has confirmed that it will not be continued notwithstanding the fact that it was part of the anti-inflation program which is continuing beyond 1976. What a flip-flop!

Back in December, 1975, the Minister of Finance made the following remarks in the House of Commons:

As the House is well aware, it has been our concern from the beginning that the anti-inflation program should be fair, and should be seen to be fair, to all groups in our economy. That is critical to the credibility of the program and crucial to its success.

He went on to say:

In terms of fairness and equity, it is, we believe, only fair that those at the upper end of the income scale, who are able to absorb the impact of rising living costs without undue hardship, should be asked to shoulder some share of the burden . . . We have come to the conclusion that a surtax should be levied on all those in the upper income bracket whether they be professionals, independent businessmen, corporate executives, well-to-do farmers or senior public servants. While the guidelines do provide for a maximum increase of $2,400, it is fair to ask those who already enjoy ample means to make a proportionately greater sacrifice in the national interest.

So much for equal sacrifices. But what is to be expected? The minister, when he introduced the surtax at the time of the anti-inflation program, said that those in the higher tax brackets had to bleed a little. Yet, here, under clause 65 he said the tax is being lifted.

An hon. Member: Boring!

Mr. Rodriguez: You may say it is boring, but there goes the credibility of the government. This tax was introduced along with the government anti-inflation program. It is all right for you to laugh over there, but your turn will come.

What could we expect? The Anti-Inflation Board did not seem to affect Eric Trigg, executive vice-president of Alcan Aluminum, whose salary in the first year of the program went from $147,348 to $162,178, an increase of 10 per cent. Nor did affect John Armstrong, chairman of the board and president of Imperial Oil, whose salary jumped $30,000 in the first year of the program. The elimination of the surtax after 1976 is just another concession to the wealthy in Canada. The tax saving for someone in the $50,000 income bracket will be $402. For someone in the $80,000 bracket, clause 65 will mean a saving of $1,654, and for someone earning $100,000 it will mean $2,491. In total, it will cost the treasury, in other words, the people of Canada, $135 million, and every penny of it will go to the 2 or 3 per cent of Canadians with incomes of $30,000 plus. Is there anyone in the House who will tell me that this is an equitable tax system?

Clause 65 grants substantial savings to the wealthy, savings which are additional to the benefits these groups have reaped by escaping controls through the use of regressive tax measures such as personal income tax indexing and a variety of special tax shelters for high-income earners, shelters which make it doubtful that any individual would report a taxable income of $500,000.

The decision to rescind the surtax means that the burden shouldered by these income groups is being lifted at the time when the average working person is asked to accept stringent limits on wage increases. As far as this party is concerned, the only acceptable change in the application of the surtax would be to increase it.

We turn now to the question of indexing. The hon. member for York-Simcoe (Mr. Stevens) is looking askance at me. I can see it in his eyes; he is asking me: am I going to get into this subject? Well, I will give that some thought, and in due course I will let him know.

An hon. Member: He is not holding his breath.

Mr. Rodriguez: I am not suggesting he should do so. The government whip says the observations made have not been profound. Well, he did not have much to say when we discussed this bill in committee. He was sheepish, almost seal-like in the way he sat waving his flippers, like a seal waiting for a fish. Now he is heckling from his place. I wish he had made his comments at a time when such remarks would have been appropriate. I turn, as I say, to the question of indexing.

It is no wonder the Liberal government is in trouble. It is no wonder that poll after poll shows that the people are turning away in droves from the Liberal party. The bill before us is the most recent in the long line of mistakes the Liberal government has made. However, the interesting thing about the indexing system is to know where the Liberal government got it. Anyone looking at the income tax system would think that indexing was thought up by the Liberal government, but the Conservatives have claimed credit for our indexing system.

• (2050)

It was in the minority period—I think in 1973 or 1974—when the government brought in indexing of tax exemptions. I think it was the hon. member for Halifax (Mr. Stanfield) who advocated it in the 1972 campaign. Lo and behold, the Liberals stole the indexing system from the Conservatives and put it into effect. However, that was not the only thing that was stolen from the Conservatives. The Liberals also stole wage and price controls, and we know what is happening in that regard. Another thing stolen from the Conservatives was the latest proposed change to the Unemployment Insurance Act, moving the minimum period of attachment from eight to 12 weeks.

Does it really matter who sits on the government benches, whether it be Tweedledee or Tweedledum? They steal from each other. I am glad the Liberals are now stealing from the Conservatives because that means that our programs can remain intact.

Mr. Baker (Grenville-Carleton): Such as they are.

Mr. Rodriguez: Our programs can remain intact because they are waiting for the moment when socialism comes to the government of Canada. Hon. members will notice that in every instance when the government has taken a program from the official opposition—and indexing is one of these—it has been a dismal failure.

It is estimated that last year indexing cost Canada $1 billion in taxes.

Mr. Saltsman: Bay Street thinks that is great.

Mr. Rodriguez: The boys on Bay Street think that is great. The fact is that the indexing in our income tax system allows the wealthy to get the best breaks. I was asked what our model for an income tax system would be, and I pointed out that our income tax system would embrace three principles. One is the principle of redistribution. We would want a system which would redistribute the taxes collected. Second, there would be the principle of equity, and third, the principle of progressivity.

Mr. Paproski: You went into that an hour ago.

Mr. Rodriguez: I have to repeat it for the Conservatives.

Mr. Saltsman: You have forgotten it already.

Mr. Rodriguez: They have a short attention span; that is the difficulty. However, the indexing system permits the warp in the system to become even more pronounced.

Mr. Stevens: Oh, oh!

Mr. Rodriguez: The hon. member may ask a question at ten minutes to ten.

We have before us Bill C-22, and once again the government admits it stole the policies in this bill from the Conservative party. There is little doubt where these ideas came from, and if there is, it can be cleared up very quickly; all we have to do is ask any frontbencher in the Conservative party.

As we turn our attention to this bill, we see that it has cost the taxpayers $1 billion because of the indexing system. If we had taken $1 billion and used it in a creative manner with respect to tax credits, we could have done much to close the gap. We could have done much in terms of redistributing the wealth of the country and eliminating the massive poverty which plagues so many portions of our great country.

What does the government do when it is time to consider the tax system? It does not do the things the Carter Commission outlined. Time and again changes to the tax system have been suggested, but the government tinkers around with the works and comes up with indexing, and as a result the situation is made even more complicated than it was before.

Earlier I made reference to that great benefactor of the Canadian economy, that selfless corporation performing the big, top, expensive job, to use its own propaganda. If there is any doubt, I speak of Imperial Oil. Some hon. members present may be familiar with that corporation. Fewer still, I am sorry to say, are aware of the massive tax breaks it has received from this "just society".

In 1975, which is the last year for which statistics are available, Imperial Oil, the Rockefellers' gift to the Dominion of Canada, received $76 million in deferred taxes. These taxes are theoretically recoverable at some future date, and I have no doubt that this is what the frontbench of the Liberal party and its philosophical ally to my right, speaking politically and physically, would argue.

However, the fact remains that the Canadian Institute of Chartered Accountants which, in 1968, was so instrumental in recommending the deferred tax break, has now served notice that it is prepared to argue for discontinuance of this very tax loophole by means of which the corporate sector laughs all the way to the bank at the expense of the middle and low income taxpayer.

Indeed, since this unjust and retrogressive tax break was given to the corporate sector, Imperial Oil has accumulated total deferred taxes of $424 million. This is revenue which, on paper, belongs to the people of Canada, but in effect it will never be collected. And who is called upon to make up the deficit but the ordinary taxpayer, to whom the hon. member for Calgary North (Mr. Woolliams) wants to give lectures.

I might feel better if the seven leading oil corporations in this nation—all foreign owned—namely, Imperial, Gulf, Texaco, Shell, Sunoco, BP Canada and Husky, used this windfall to better this country's energy position. However, statistics show us that only one-third of these deferred tax dollars are pumped into exploration. It truly makes a rational mind wonder.

I think it is important that I read figures with regard to the deferred tax picture into the record. These figures are for oil companies alone. In 1975 Imperial Oil had deferred taxes of $76 million for total accumulated deferred taxes of $424 million. Gulf's 1975 deferred taxes were $18.6 million, for total accumulated deferred taxes of $182.7 million. Texaco's deferred taxes were $28.3 million, for total accumulated deferred taxes of $85.5 million. Shell had $15.5 million deferred taxes in 1975, and the total accumulated deferred taxes were $84 million; Sunoco, $12.1 million, total deferred, $59.1 million; BP Canada, $12.9 million, total deferred taxes $56.1 million. Husky had $10 million in deferred taxes for 1975, for total deferred taxes of $45.1 million. The 1975 total deferred taxes came to $173.4 million, and that is for oil companies alone.

• (2100)

The total accumulated deferred taxes of the oil companies alone is $936.5 million. These are taxes that will never be collected by the taxpayers of Canada.

Let us not forget that the government is providing corporations with another tax incentive through the 100 per cent write-off in Canadian exploration expenses for taxation purposes. The write-off is being granted not only to energy companies which have enjoyed the advantage of a 100 per cent write-off. Any business, energy related or not, will now be able to qualify for this 100 per cent write-off.

[*Translation*]

Mr. Speaker, I wonder to what extent this amendment will promote exploration in our country. It is aimed at encouraging other investors to go into exploration for energy resources, but considering that the companies have other priorities because of the tax system, this amendment will not, in my opinion, have the expected effect.

Given the past experience, how can we be sure that this amendment to the tax system will promote exploration for energy resources? I think that Canadians might well ask themselves this question. Despite the recent increase in the price of oil at the production level the companies declare that they do not get enough incentives to go into exploration, and yet they made record profits in 1976. As of January 1, 1977, the cost of a barrel of crude was $9.75. How do we come up with that figure? The production of a barrel of crude oil costs 68 cents. In Alberta, for example, the provincial expenses amount to $3.90; the federal tax is $1.64. The profit of a barrel of oil is therefore $3.63, which is 40 per cent of the total price.

I think that our society is rich enough to develop oil exploration in the interest of all Canadian consumers. I tried to show what happened in the case of the largest Canadian oil company, Imperial Oil Limited. Although that company has made unprecedented profit and has increased its liquid assets fantastically, it has not engaged in any exploration, despite the fact that this would be the best way to reassure Canadians about the resources available to our country. I therefore suggest that clause 24 of Bill C-22 will remain without effect in the long run, and that the government will have been had once more by big oil companies. After studying clause 24, it

seems to me that the government is giving in once again to the demands of the oil industry and has shaped this taxation legislation in such a way as to profit that industry.

[*English*]

Mr. Goyer: But this is not productivity.

[*Translation*]

Mr. Rodriguez: Mr. Minister, I am trying to speak in French.

[*English*]

Added to these benefits for corporations, the government refuses to close the tax loophole which permits multinational firms to set up foreign subsidiaries and then divert income out of Canada to lessen their tax liabilities. The method used is one of lessening their earnings in high tax nations and increasing them in low tax countries. The usual way of lessening tax payments is to underprice exports or overprice imports from a subsidiary, or simply charge artificially high expenses against the subsidiary. This often means that Canada is overcharged and is losing revenue.

We in the NDP have been concerned about this for a long time, and to refresh everyone's memory I will repeat some of the arguments that I made in the House on June 18, 1976, with respect to this matter. At that time I pointed out that we needed an international convention which would prevent multinational corporations from avoiding their proper taxation and from exploiting countries in which they are operating. Indeed, participating in that very debate on international taxation was the hon. member for Waterloo-Cambridge (Mr. Saltsman) who made some relevant points with respect to the way in which multinationals wheel and deal to escape the tax system in one country as opposed to another.

It is also important that we put on record the question that was asked. It is a very relevant question. The hon. member for Waterloo-Cambridge spoke in the House on February 27, 1976, and it is reported at page 11321 of *Hansard* of that date. He asked the former minister of national revenue the following question:

> On June 12, 1973 the minister's predecessor announced in a speech to the Inter-American Centre of Tax Administrators that the government was launching a campaign to crack down on multinationals evading taxes. On November 19, 1975, the current minister announced the formation of a joint U.S.-Canada committee to study the same question. On February 23, 1976, the minister's department announced that because of spending restraints, all such plans had been shelved. While a penny saved may be a penny earned, in this case does the minister feel that the savings in wages and salaries outweigh the loss of forgone corporate taxes?

In reply the former minister of national revenue stated the following, and I quote his answer because I think it is important enough to be put on the record. He said:

> Mr. Speaker, within a month after my appointment to this portfolio, I met with Don Alexander, the Commissioner of Internal Revenue Service in the United States. We set up a committee to look into how we might act under the Canada-United States tax treaty to get at multinationals and transnationals which are using the tax haven to avoid taxes. Mr. Alexander will be back here following the report of that committee. We will be meeting again. I, like every other minister, would like to have all the resources necessary. Personally, I do not think it is a waste of money. I think it is an investment to get back the hundreds of millions of dollars. To me, a tax haven is an anathema. Within the scope that we have, both the resources, financial and man-years, we will do our best to plug these particular abuses.

[Mr. Rodriguez.]

We have not heard any more. The former minister of national revenue has moved on to become the Minister of Manpower and Immigration (Mr. Cullen). The government members are not so anxious to beat the bushes to get out these tax evaders. That was back in June, 1976.

This whole question of multinationals and transnationals escaping their responsibility to support this country with taxes is not something that started yesterday. It is estimated that they have absconded with over $1 billion in taxes. Back in June, 1976, the then minister of national revenue, now Minister of Justice (Mr. Basford), promised to eliminate this loophole. So even before the present Minister of Manpower and Immigration (Mr. Cullen), the present Minister of Justice when he was in that portfolio promised to eliminate the loophole. He said at that time that the practice was costing hundreds of millions of dollars in lost revenue, but like many promises that the Liberal government has failed to keep, it decided to shelve plans to close the tax loophole on the excuse that Ottawa cannot afford the expert investigators needed. Of course this is to be expected, Mr. Speaker. Any government that spends billions of dollars subsidizing the wealthy in Canada is not going to do anything to hurt its friends in the corporate sector.

• (2110)

Let me read from an article which appeared in the *Globe and Mail* of October 31, 1975, written by Jonathan Manthorpe, which clearly describes the problem.

Mr. Stevens: You have already lost one of your members.

Mr. Rodriguez: No, we have not lost one of our members; we are now infiltrating the ranks on the other side. The hon. member for Waterloo-Cambridge is over there. He is better suited to the frontbenches across the way than the backbenches here. He has improved the intelligence on the frontbenches by 100 per cent. The article, entitled "Avoidance of Taxes Costing Hundreds of Millions" begins as follows:

> Canada is losing hundreds of millions of dollars a year to people and companies that avoid taxes, and a lot of it is being lost to multinational corporations using their international status to shuffle their profits out of the taxman's reach.

That is how the article starts out. It is estimated we lost $1 billion with respect to corporations, multinationals and transnationals, shifting around on the international scene to avoid paying taxes. It goes on to point out the following:

> Multinationals use a number of techniques to minimize their taxes in countries with high taxes and to maximize their profits in countries with low taxes.
>
> The parent company may sell its product to a subsidiary sales organization in a tax haven country. The sales organization would then resell the product to foreign subsidiaries of the parent company, usually with a large mark-up in price.
>
> A straightforward example of how multinational companies can boost their costs so as to avoid taxes comes from the files of the U.S. Internal Revenue Service.

The situation was that a manufacturing company in the U.S. had a wholly owned subsidiary in another country that extracted raw materials. The multinational had another wholly owned subsidiary shipping company in a tax haven country that chartered ships from unrelated companies.

Most of the shipping company's activity was in transporting raw materials from the mining subsidiary to the parent manufacturing company in the United States.

But the shipping company also supplied shipping services in a small way to other companies which were not related to the parent. The key point is that it charged the unrelated companies the same shipping rate as its parent company.

On the surface this appeared to be reasonable, but on close examination U.S. Revenue Service Officials decided the shipping company was charging its parent company much too high a rate.

By inflating the shipping costs the parent company was increasing its expenses allowable against income and therefore decreasing its tax. It was also increasing profits of its wholly-owned subsidiary, the shipping company, in a tax haven country.

The U.S. Revenue Service decided the shipping rates were too high for several reasons. They reasoned that the cost to the parent should be much less because its business was on a large scale—

That is not such an isolated incident. In this country we have the example of Falconbridge which operates in my riding. Falconbridge has a totally owned subsidiary in Namibia. There is no double taxation agreement between Canada and Namibia even though there is a double taxation agreement between Canada and South Africa. But South Africa administers Namibia illegally, in spite of orders from the United Nations time and time again. What happens is that the Namibia operation writes off its expenses against the Canadian operation. In effect, we not only contribute to the exploitation of a third country and not only help in the imperialism of Falconbridge in Namibia, but we also assist Falconbridge in writing off a bonanza in taxes to its own credit.

Every time a corporation like Falconbridge does not pay its share of taxes, the rest of the taxpayers must make up for it. I have been after the Minister of Finance, and the Secretary of State for External Affairs (Mr. Jamieson) in the four years I have been in this House to help the situation in Namibia. All we have to do is close the loopholes in our tax structure. They tell me they cannot interfere with the operation of Falconbridge. That is just ducky. Let anybody on unemployment insurance take a week or two of benefits they were not entitled to and they would be hounded to the end of the world.

Some hon. Members: Oh, oh!

Mr. Rodriguez: Hon. members opposite are good at bawling, but when they have a chance to speak they avoid it like the plague.

Mr. Pelletier: You have been speaking for seven hours.

Mr. Rodriguez: We took the opportunity that was offered to us to examine the problems of Bill C-22 in detail. I think we have done a thorough job over the last week—an excellent job. One of my virtues has always been modesty. I think we have done an excellent job in trying to bring to the attention of Canadians some of the abuses within the tax system.

There is something terribly wrong when the government of Canada gives in to corporations crying about intolerable tax burdens. I have heard the mining associations claim there is only one way we can get the economy moving again. In an interview with a Paris magazine the Prime Minister (Mr. Trudeau) said the worst bitchers in Canada were the banks. Well, they have been replaced. The worst bitchers in Canada today have to be the mining companies. They say that to be able to stir up the economy they need more tax concessions, more exploration grants to be written off taxes, more tax breaks, and more "roads to resources" as they are called in Ontario. All of these things will not improve the unemployment situation by one percentage point. Like greedy cookie monsters they will eat every cookie in sight. I had better hide my cookies, Mr. Speaker.

Mr. Nystrom: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Ethier): The hon. member for Yorkton-Melville (Mr. Nystrom) on a point of order.

Mr. Nystrom: I wonder if the hon. member would answer a question.

Mr. Rodriguez: Certainly.

Mr. Nystrom: I wonder whether the hon. member would tell the House if he has just accepted a corporate contribution and, if so, what.

Mr. Rodriguez: It is not in cash, Mr. Speaker, but it is in kind. I am donating this to the hon. member for Winnipeg North Centre for the kind help he has given in this gargantuan task of examining the 87 clauses of Bill C-22. The hon. member for Ottawa-Carleton says that the hon. member for Winnipeg North Centre needs nutrition because this is Canada Week.

Mrs. Pigott: Food Week.

Mr. Rodriguez: I have always found he has staying power.

There has to be something terribly wrong when the government of Canada gives in to corporations crying about intolerable tax burdens. There is something wrong when the Minister of Finance has sympathy for these poor corporate welfare bums to the extent he now believes profit controls are hindering capital investment. How much are corporations really hurting? In many cases the tax rate for corporations is less than the average income tax rate. Let us consider some examples.

● (2120)

I ask hon. members to co-operate. If they have a piece of paper handy, they can mark down one of the answers I shall call out, and if they get all the answers right, they will score full points.

Mr. Goyer: You are an aggressive socialist.

Mr. Rodriguez: Here is the first question: Do you know what was the approximate value of all mining production in Canada in 1975? Was it (a) $7 billion; (b) $3 billion, or (c) $12 billion? Apparently the hon. member for York-Simcoe has

an answer. Well, according to the Statistics Canada publication "Industrial Corporations—Financial Statistics, July, 1976" the profits of mining corporations amounted to $12 billion in 1975.

Mr. Goyer: So what?

Mr. Rodriguez: And what was the amount paid in income taxes by all mining corporations in Canada in 1975? It was, according to "A", the answer, only $1 billion.

An hon. Member: What's "B"?

Mr. Rodriguez: They paid only $1 billion in taxes in 1975. This figure represents a tax rate of 34 per cent which compares favourably with the tax rate many middle income Canadians pay. It certainly does not indicate that the mining sector is over-taxed. In fact an individual earning approximately $20,000 faces the same tax rate as a corporation in the mining industry.

The fact that corporate income tax is declining is substantiated in an article by Bud Jorgensen, which appeared in the Ottawa *Citizen* of April 30, 1976. Mr. Jorgensen writes for the *Financial Times* News Service.

Mr. Goyer: What is your source?

Mr. Grafftey: You guys opposite can filibuster after the next election.

Mr. Rodriguez: According to Mr. Jorgensen:

> The corporate income tax is slowly but steadily withering as a revenue source.
>
> A study done for the Economic Council of Canada shows that corporate tax collections, as a percentage of gross national product (GNP), are almost half what they were 25 years ago.
>
> During the same period, the proportion of personal income taxes collected has gone up by 2½ times.
>
> The study by Prof. J. R. Melvin, 37-year-old economist from the University of Western Ontario, London, Ont., suggests dropping the corporation income tax completely. A royal commission on taxation in 1966 came to a similar conclusion.
>
> Mr. Melvin's study shows that corporation income tax collections accounted for 6.6 per cent of gross national product in 1951. In that year, total personal income tax was less, only 5.9 per cent of GNP. Indirect taxes, such as sales and property taxes accounted for 12.4 per cent of GNP.
>
> By the early 1970's, income tax collected from corporations accounted for less than 4 per cent of GNP.
>
> At the same time the proportion collected from individuals had gone up to about 14 per cent.
>
> The proportion of indirect taxes collected has gone up to about 14 per cent of GNP as well . . .
>
> Last year, income tax collections were higher and indirect tax collections lower in relation to GNP, but those figures are distorted by the recession holding down the value of gross national product.
>
> The 1975 proportions were as follows: corporate income taxes, 4.2 per cent; personal income taxes, 15.3 per cent; and indirect taxes, 13.5 per cent.
>
> The provinces have taken a bigger share of all types of tax. Local governments, which can only assess indirect taxes, also have had a sharp increase.
>
> Federal collections of corporation income taxes have dropped from 5.7 per cent of GNP in 1951 to less than three per cent in the early 1970's. The provincial share has gone from slightly less than one per cent to slightly more than one per cent.
>
> The big increase for provinces has been in personal tax collections—0.5 per cent to about four per cent of GNP. The federal share increased from 5.4 per cent to about nine per cent.
>
> Indirect tax collections by the federal government declined from almost seven per cent of GNP to less than five per cent. Provincial collections increased from 2.7 per cent to about five per cent and local government collections from less than three per cent to about 4.5 per cent.

[Mr. Rodriguez.]

An hon. Member: Are you tired?

Mr. Rodriguez: That article shows just how heavily taxed our corporations are. If one considers their share of the tax burden in terms of gross national product, one sees that the share they pay in taxes is declining. That is contrary to the experience in the United States.

Mr. Goyer: What are your sources?

Mr. Rodriguez: I now come to profit controls, a subject very much to the fore. I raise this matter because the statement of the Minister of Finance was clearly politically motivated. A leading government economist, as reported in the *Globe and Mail* of February 8, 1977, says controls are not holding down profit levels to any great degree since only a handful of companies are directly restrained. Corporations continue to cry about poor investment opportunities in Canada—

An hon. Member: What is the economist's name?

Mr. Rodriguez: —when in actual fact profits as a percentage of GNP have been higher in Canada than in the U.S. since 1970. Let's look at the actual figures as reported by the *Globe and Mail* of February 8, 1977.

Mr. Goyer: That is not a good source.

Mr. Rodriguez: If hon. members opposite would listen, they might learn something.

An hon. Member: Is the hon. member suggesting we are not listening?

Mr. Rodriguez: Is the minister taking a trip to see Mr. McDougald? I say to the minister, you had better catch that plane and go to see him.

Mr. Goyer: The hon. member is very exhausting, but go on.

Mr. Rodriguez: With respect, Mr. Speaker, we ought to examine the latest figures with respect to pre-tax corporate profits as a proportion of GNP. According to the *Globe and Mail* of February 8, 1977, between 1950 and 1954 in Canada the figure was 11.8 per cent, whereas in the United States it was 11.6 per cent. Between 1955 and 1959 the figures, respectively for Canada and the United States, were 10.9 per cent and 10.5 per cent; between 1960 and 1964 the figure was 10.4 per cent for Canada and 9.7 per cent in the United States. For the period 1965 to 1969 the figure in Canada was 10.2 per cent, and in the United States 9.6 per cent.

Mr. Goyer: That shows we are doing better that the United States.

Mr. Rodriguez: In 1970 the figures for Canada and the United States respectively were 8.8 per cent and 6.8 per cent; for 1971 they were, respectively 8.5 per cent and 7.2 per cent. For 1972 those same figures were 9.3 per cent for Canada and 7.7 per cent for the United States. For 1973 the Canada and United States figures were, respectively, 10.4 per cent and 7.4 per cent. In 1974 the figures for pre-tax corporate profit as a proportion of gross national product were, for Canada and the United States respectively, 10.1 per cent and 6.2 per cent. In 1975 the figure for Canada was 9.7 per cent, and for the United States, 6.8 per cent.

An hon. Member: Shame!

Mr. Rodriguez: And for the first nine months of 1976 the figures for corporate profits as a proportion of the gross national product were, in Canada and the United States respectively, 9.2 per cent and 7.9 per cent.

Mr. Goyer: Was that after or before taxes?

Mr. Rodriguez: According to this article, business capital investment in Canada has not been as depressed as in the United States. Canadian business capital investment was 14 per cent of GNP in 1976, which is above the 1961 to 1975 average of 13.5 per cent. United States investment was about 9.5 per cent of GNP last year, slightly under the 9.9 per cent average for 1961 to 1975.

This certainly makes us suspicious about remarks made by J. R. Ferguson, head of an Ottawa financial consulting company, which appeared in the Toronto *Star* of December 10, 1976. He stated that the tax on profit penalizes efficient companies, undermines the role of profits as an incentive for businesses to become more productive, and has produced a serious contraction of financial markets.

The unfairness of our system of taxation and privileged position of our corporations must be evident.

• (2130)

The immediate past leader of this party spent a great deal of time studying the infamous tax system of this country. He is well versed in our tax system. He wrote a book entitled "The Corporate Welfare Bums". No debate on taxation in Canada is complete without some words from our former leader. It has to be the ultimate benediction in a debate which has ranged in a very studious manner over each clause of Bill C-22. The remarks of the former leader of this party are extremely important. They are apropos because he draws a comparison between the Sudbury Basin and the income tax system. I quote:

Geographers call Sudbury an example of post-glacial topography, but to the Sudbury Chamber of Commerce it is the nickel capital of the world. The post-glacial rocks of the Sudbury basin yield in excess of 20,000,000 tons of ore annually, and through them Canada supplies between 80 and 90 per cent of all nickel in the non-communist world. The demand for nickel is high, and the corporation profits show it.

Mr. Epp: Who wrote this?

Mr. Rodriguez: The former leader of this party, Mr. David Lewis. He is remembered in this House. In fact he was one of the most dynamic forces in this House of Commons.

Mr. Goyer: What happened to him? Where is he now?

Mr. Rodriguez: He is carrying on the work which he started. He is presently doing that in our universities.

Mr. Epp: Who defeated David Lewis?

Mr. Rodriguez: That is a question. I do not know.

Mr. Goyer: That is not the only thing you do not know.

Mr. Rodriguez: I want to get back to what our former leader said. It is important because it puts before the House the structure of the tax system in this country.

The average income in Sudbury in 1970 was $7,530.

It is not much more than that today. It is about $9,200.

—in that year the basic weekly wage for INCO workers was $138.80. But if the incomes are higher than the national average, expenses are worse. Housing costs are among the highest in the country.

Indeed, according to the latest survey by Royal Trust, housing costs in Sudbury today are the highest in the land. In 1971 the average lot, that is 55 × 120 feet, sold for $6,500. Today the average is $22,000. In 1971, and I quote:

Single-family dwellings costs an average of $26,580 while the average income of families borrowing money for new homes was $14,248.

The cost of an average home in the Sudbury Basin today is $42,000. The amount needed for someone to qualify to purchase a home is $20,000.

To look at the situation another way, during 1971 only the combined incomes of two families earning INCO's base wage would have been enough to borrow the money needed for one new home.

That disparity still exists today.

In addition, severe northern winters result in high heating bills, and food costs reflect the inevitably inflated northern price structure.

We are told that is because everything has to be transported there.

An hon. Member: What are you doing about it?

Mr. Rodriguez: I defeated a Liberal. That is why a Liberal no longer represents Nickel Belt. The former member was not relevant to the scene there. You can go to Toronto and ask Mr. McDougald.

The quote continues:

In 1970 a realty firm associated with INCO built a series of townhouses on INCO property which rent for $225 per month.

The rent has now increased to $400 a month.

Single workers who stay in the company "village", a grouping of trailers outside of Sudbury near the Copper Cliff smelter, receive room and board for $32.55 per week.

That has been eliminated. It has been torn down.

Sudbury faces a problem common to many mining towns. Assets of mining companies are exempt from municipal tax assessments under the Ontario Assessment Act. Municipalities receive payments from the provincial govern-

ment in lieu of property taxes, but these are usually far from adequate, with the result that the major burden of supplying adequate municipal services falls to the homeowners. The municipality may do its best; the people certainly do their best, but there is not enough money for adequate cultural and recreational facilities, or to repair roads fast enough or to renovate an older hospital—even to instal a sewage-treatment plant . . .

The balance sheet of INCO offers an indication of just how much money there really is in mining. The shareholders' equity section of the 1971 statement shows a total or more than one billion dollars, with retained earnings making up $894,969,000 of that.

The 1971 Annual Report indicates that of the 92,217 shareholders, 61 per cent have addresses in Canada, 37 per cent have addresses in the United States, and two per cent elsewhere. Statistics Canada refers to INCO as a Canadian-controlled corporation. However, 49 per cent of the outstanding shares are held by U.S. residents while only 38 per cent are held by Canadians.

The community of Sudbury has long provided INCO and Falconbridge with a great source of wealth. Through generous income provisions at both the federal and provincial levels, they were able to retain most of their earnings. They expanded their holdings, and not just in the mining field. INCO purchased a battery company in Philadelphia with money earned from resources taken out of the soil in the Sudbury Basin. Surely that company could pay its fair share of taxes in this country.

It is time that the causal relationship between the Liberals and the corporate sector was annulled. The public is sick and tired of a Liberal government and Tory opposition which cannot seem to stay out of the bedrooms of the corporate sector. Those who provide and justify innumerable tax breaks for corporations are just as guilty as those who profit from the non-payment of corporate income taxes. People are no longer vulnerable to the tactics of the Liberal government.

As David Lewis writes:

● (2140)

People are no longer very vulnerable to these tactics. They are not likely to be convinced that the Timmins mining companies' use of untaxed profits to buy shares of companies operating elsewhere in Canada or in the United States makes jobs in Timmins. They are not likely to be convinced that depletion allowances keep mines from becoming depleted or companies from giving mines up as the seams of ore narrow down and peter out.

They do see, as have so many tens of thousands of people in northern Ontario and Quebec, how the government must now pay to keep mines alive and people working because the huge profits of the fat years were not taxed.

They see and they wonder. They are not the fools that Mr. Turner takes them for. The people of Canada are not like children who scurry to bed when the Liberal bogeyman comes by. He has been coming too often.

The Liberals are, however, not alone in their defence of the extractive industries.

As pitiful as the recent income tax reform proposals were, the Tories stridently opposed even those reforms. Progressive Conservative finance critic Marcel Lambert opposed the legislation as "a system of legalized plunder and piracy by people motivated by desire for the have-nots to take from the haves". He criticized the capital gains tax, on the grounds of that famous bogeyman of the Conservatives, uncertainty in the business sector.

Mr. Lambert, like other Tories and Liberals, is a champion of that oppressed underdog, the mining industry in Canada. Speaking in Parliament on May 11, 1972, he said:

With respect to the mining industry, I would like to ask whether the minister has read the recent speeches by the president of the Mining Association of Canada. Has he read the annual report by the president of Noranda? I hope he takes it to heart . . . I commend it to all members.

[Mr. Rodriguez.]

I am prepared, Mr. Speaker, to read from the Holy Testament for the benefit of hon. members. Certainly I am not going to refer to the annual statement of Noranda Mines. Let me give hon. members some solace when they think about what they are to do with the tax system. The Liberal government is pathetically blasé about the unequal distribution of wealth in Canada. Through Bill C-22 it is saying "We do not care about income disparities, about poverty." While the Income Tax Act is the most useful tool for redistributing wealth, the Liberal government has chosen instead deliberately to use the Income Tax Act to enhance the position of the wealthy in Canada.

What can be expected from a man who arrogantly stated on December 28, 1971, during a CTV interview of the white paper on taxation—

Mr. Benjamin: This is Trudeau.

Mr. Rodriguez: I will tell you what he said:

And I concede your point, too, that it's likely we heard more from the vested interests than we did from the little taxpayer—

Little taxpayers, he calls them.

—who didn't have . . . the high paid lawyers to speak for him . . . I suppose in participatory democracy there will always be some whose voice is louder than others.

Now, Mr. Speaker, who said that? None other than the Prime Minister, who is leading a government that is sitting on benches, tattered and wracked by scandal after scandal, day after day. One has only to look at *Hansard* to see them wracked, hanging on the ropes from scandals such as the Skyshops affair, the black list, the judges' affair—dial-a-judge—AECL, Otto Lang and his airplanes; the Minister of Transport—

Some hon. Members: Order!

Mr. Rodriguez: —flying around the country at the taxpayers' expense. It is the same arrogance, Mr. Speaker, the same elitist attitude which was apparent at his press conference on January 26. I want to quote from that press conference of the Prime Minister. He says:

In the last ten years, more or less—since someone

—himself—

—began talking about the "just society"—more or less the percentage of people below the poverty line in Canada has fallen from 21 per cent to something around 8 or 9 per cent.

The Prime Minister goes on to say in his speech:

Once again my philosophy is not one of equalitarianism.

Imagine that, Mr. Speaker: his philosophy is not one of equalitarianism.

I want to make the poor richer, but I do not care if the rich get richer in the process, provided they pay their taxes and they are honest, and everything else. So, that is the answer about your quintiles. We are not trying to bring them together towards some national average.

See how that contrasts, Mr. Speaker, with the kind of income tax system that we on this side of the House see as the model, an income tax system which, as a principle, is redis-

tributive in nature; that secondly, has the principle of equity; and thirdly, has the principle of progressivity. Many people used to think that this Liberal philosophy was modelled after John Keynes and John Locke. Well, I hate to disappoint them about the real model of this Liberal party, because it dates back to pre-Biblical times. Indeed it goes back to Roman times. The Liberal model, Mr. Speaker, is not only the model for taxation but also for philosophy. I think that model is based on one Marcus Licinius Crassus.

Marcus Crassus was the first capitalist recorded in history. He owned the only fire brigade in Rome. Oftentimes when a building was on fire Marcus Crassus would line up with his fire brigade and would then negotiate with the owner of the building on the price of putting out the fire. Indeed, history records that Marcus Crassus, by this means, became a very wealthy landowner in Rome. He became the richest man in Rome and used his colossal fortune to further his political ambitions.

His great rival was Pompey, whom Sulla honoured for his military victories. Since he could not equal Pompey in war, he turned to politics. He headed a moderate party between the aristocratic conservative party of Pompey and the radical party of Julius Caesar. Yet, says Plutarch, he was "neither a steadfast friend nor an implacable enemy, but readily abandoned both his favours and his resentments at the dictates of his interests."

Obviously, Mr. Speaker, Marcus Crassus was a Liberal. The hon. member for Sault Ste. Marie (Mr. Symes) says that Marcus Crassus piddled while Rome burned, but I do not know about that.

An hon. Member: Sure gave them a hosing.

Mr. Rodriguez: The Liberals are not the only ones who are indifferent to the problems created by the taxation system in Canada. The Tories are equally indifferent to income disparities and poverty in Canada. They care so much about inequality in Canada that they could not even find 30 seconds of time to say something good, bad or indifferent about Bill C-22 on third reading. This has resulted in my having to step into the breach and make this sacrifice of speaking to this bill in detail.

● (2150)

A glance at the Parliamentary Guide would reveal to all who care to look the great array of wealth among my hon. friends to the right of where I sit. Their interests range from the directorship of a management company and of an apartment company all the way to a fisheries company, a packing company, and a company making wheels, brakes and equipment. One gentleman is a banker. We have bakers, too, and candlestick makers. The hon. member for Calgary North (Mr. Woolliams) is fairly big in oil. Then, of course, there is the "Cookie Monster". And who can forget the generosity of the cookie monster? No one! I think the hon. member for Winnipeg North Centre and I are supplied with cookies enough for a lifetime.

It is certainly not surprising to note that the Tories have given their stamp of approval to Bill C-22. This is the party which thought the government had gone too far with tax reform in 1972. In fact the hon. member for Don Valley (Mr. Gillies) is quoted in the *Globe and Mail* of October 2, 1973, as having said:

> Edgar Benson and Prime Minister Trudeau have offered too much reform in one step. Their reform could not be explained. They could not lead the country in any united, let alone trusting way, to a new system.

The Liberal party's so-called tax reform may be unexplainable and irrational, but the Tory idea of reform, which involves more tax reform commissions and more discussion, is so chicken-hearted that we can never expect anything beyond platititudes. If they are serious about tax reform, even in modest stages, why have we not heard a single concrete proposal from their benches during this debate? There has not been a squeak out of them. Like mice, they run for cover. They run under the desks and scare the hon. member for Grenville-Carleton (Mr. Baker), who is afraid of mice, and ran out of the House.

The socialist party on this side of the House objects to such disparities in income and to too much poverty in one of the wealthiest countries of the world. The Prime Minister says he does not mind if the rich get richer as long as the poor get richer. The fact remains that, despite all supposed attempts by the government to redistribute income, the low-income groups are still receiving a lesser share of total income than during the mid sixties before many social welfare policies were improved.

We believe the income tax system must incorporate the ability-to-pay principle. We have said that in our view an income tax system must be based on three principles. It must be redistributive. It must be progressive. And it must be based on equity. Mr. Speaker, there is nothing in the present system which meets any of these principles.

This bill ought to be thrown out of the House of Commons along with the Liberals and their Tory buddies. We say the tax system must incorporate the ability-to-pay system. Do you know, Mr. Speaker, which income group pays the greater proportion of its earnings in taxes? Is it those in the upper brackets, those in the middle brackets, or those in the lower brackets? The answer is, those in the lower brackets. Some of my hon. friends have guessed it. They will get a cookie for that. People earning less than $8,000 pay the highest proportion of their total earnings in taxes. We also know, according to 1969 statistics, that 8.3 per cent of family units receiving an income of $15,000 paid at a rate amounting to 8.4 per cent less than those earning $2,000.

Here is another question. The top 20 per cent of Canadian income earners get 48 per cent of total income. How much do the bottom 20 per cent receive? Is it 15 per cent, or 3 per cent, or 8 per cent, or 12 per cent? The answer, Mr. Speaker, is 3 per cent.

In conclusion, Mr. Speaker—

Some hon. Members: No, no! Go on!

Income Tax

Mr. Rodriguez: I move, seconded by the hon. member for Winnipeg North Centre:

That the motion be amended by deleting all the words after the word "That", and by substituting therefor the following words:

"Bill C-22 be not now read a third time, but that it be referred back to the Committee of the Whole for the purpose of reconsidering Clause 65 thereof."

I place this motion before the House and trust that hon. members will support it.

I asked a question a moment ago. What is the answer? The answer is 3 per cent. It's the rich what gets the gravy, it's the poor what gets the blame.

Mr. Deputy Speaker: Order. Perhaps the hon. gentleman will permit the Chair to put the amendment before ten o'clock.

Mr. Rodriguez, seconded by Mr. Knowles (Winnipeg North Centre) moves:

That the motion be amended by deleting all the words after the word "That", and by substituting therefor the following words:

"Bill C-22 be not now read a third time, but that it be referred back to the Committee of the Whole for the purpose of reconsidering Clause 65 thereof."

Order. It being ten o'clock it is my duty, pursuant to the order of the House dated Wednesday, February 9, 1977, to put forthwith every question necessary to dispose of the third reading and passage stage of the bill.

The question is on the amendment. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those against, will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the amendment (Mr. Rodriguez) which was negatived on the following division:

(*Division No. 19*)

YEAS

Messrs.

Benjamin
Blackburn
Douglas (Nanaimo-Cowichan-The Islands)
Firth
Gilbert
Knowles (Winnipeg North Centre)
Nystrom
Orlikow
Peters
Rodriguez
Rondeau
Saltsman
Symes—13.

NAYS

Messrs.

Abbott
Alexander
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Grenville-Carleton)
Basford
Béchard
Bégin (Miss)
Blais
Blouin
Boulanger
Breau

Messrs.

Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Clarke (Vancouver Quadra)
Clermont
Collenette
Condon
Corbin
Côté
Crosbie
Cullen
Cyr
Danson
Darling
De Bané
Dinsdale
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Elzinga
Epp
Ethier
Fairweather
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Fraser
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Goyer
Grafftey
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Herbert
Hnatyshyn
Holmes
Hopkins
Huntington
Isabelle
Jamieson
Jarvis
Jelinek
Johnston
Jones
Joyal
Kaplan
Kempling
Knowles (Norfolk-Haldimand)
Lajoie
Lalonde
Lambert (Edmonton West)
Landers
Lang
Langlois
Laniel
La Salle
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Egmont)
MacEachen
MacFarlane
MacKay
Maine
Malone
Marceau
Marchand
Martin
Masniuk
Mazankowski
McCain
McKenzie
McKinley
McKinnon
McRae
Milne
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Oberle
O'Connell
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier
Penner
Philbrook
Pigott (Mrs.)
Portelance
Poulin
Prud'homme
Railton
Raines
Ritchie
Roberts
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Schellenberger
Sharp
Smith (Saint-Jean)
Stevens
Stewart (Marquette)
Stewart (Cochrane)
Stollery
Tessier
Towers
Trudeau
Trudel
Turner
Watson
Whittaker
Yanakis
Young—155.

● (2220)

Mr. Speaker: I therefore declare the amendment lost. The question is on the motion.

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

(*Division No. 20*)

YEAS

Messrs.

Abbott
Alexander
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Grenville-Carleton)
Basford
Béchard
Bégin (Miss)
Blais
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)

Messrs.

Caron
Clarke
(Vancouver Quadra)
Clermont
Collenette
Condon
Corbin
Côté
Crosbie
Cullen
Cyr
Danson
Darling
De Bané
Dinsdale
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Elzinga
Epp
Ethier
Fairweather
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Fraser
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Goyer
Grafftey
Gray
Guay
(St. Boniface)
Guilbault
Haidasz
Herbert
Hnatyshyn
Holmes
Hopkins
Huntington
Isabelle
Jamieson
Jarvis
Jelinek
Johnston
Jones
Joyal
Kaplan
Kempling
Knowles
(Norfolk-Haldimand)
Lajoie
Lalonde
Lambert
(Edmonton West)
Landers
Lang
Langlois
Laniel
La Salle
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Egmont)
MacEachen
MacFarlane
MacKay
Maine
Malone
Marceau
Marchand
Martin
Masniuk
Mazankowski
McCain
McKenzie
McKinley
McKinnon
McRae
Milne
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nicholson (Miss)
Oberle
O'Connell
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier
Penner
Philbrook
Pigott (Mrs.)
Portelance
Poulin
Prud'homme
Railton
Raines
Ritchie
Roberts
Rompkey
Rooney
Roy
(Timmins)
Roy
(Laval)
Schellenberger
Sharp
Smith
(Saint-Jean)
Stevens
Stewart
(Marquette)
Stewart
(Cochrane)
Stollery
Tessier
Towers
Trudeau
Trudel
Turner
Watson
Whittaker
Yanakis
Young—155.

NAYS

Messrs.

Benjamin
Blackburn
Douglas
(Nanaimo-Cowichan-The Islands)
Firth
Gilbert
Knowles
(Winnipeg North Centre)
Nystrom
Orlikow
Peters
Rodriguez
Rondeau
Saltsman
Symes—13.

Mr. Speaker: I therefore declare the motion carried.

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

Mr. Speaker: It being after ten o'clock this House stands adjourned until two p.m. tomorrow afternoon.

At 10.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, February 15, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

PROPOSED PARTICIPATION IN DISCUSSIONS TO FIND WAYS OF RELIEVING UNEMPLOYMENT IN ONTARIO CONSTRUCTION INDUSTRY—MOTION UNDER S.O. 43

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise, pursuant to Standing Order 43, on a matter of pressing and urgent necessity, namely, that with 34 per cent of Ontario's construction workers now out of work—up substantially over last year—and with construction starts at a low, which augers poorly for an upswing in construction activity this spring, I ask leave, seconded by the hon. member for Northumberland-Durham (Mr. Lawrence), to move the following motion:

That this House urges the ministry to participate in a task force made up of labour, management and provincial representatives which commenced meeting in Toronto today and which hopes to determine ways and means of relieving this alarming unemployment situation in Ontario's construction industry.

Mr. Speaker: Such a motion pursuant to Standing Order 43 can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

ANTI-INFLATION BOARD

REQUEST CABINET RESCIND DECISION WHICH CAUSED INCREASED BREAD PRICES IN QUEBEC—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, pursuant to Standing Order 43, I ask leave of the House to move a motion related to the decision the cabinet should make about the strike in the flour mills of Quebec. Therefore, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House request the cabinet to rescind the Anti-Inflation Board decision which forces Quebeckers to pay a higher price for their bread and which, if maintained, will provide additional benefits of about $450,000 to the companies concerned.

Mr. Speaker: Order, please. The House has heard the hon. member's motion. Pursuant to Standing Order 43, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Since there is not unanimous consent, the motion cannot be put.

* * *

AGRICULTURE

PROPOSAL TO CANCEL EXPORT LEVY ON POWDERED MILK—MOTION UNDER S.O. 43

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

In view of the increasingly persistent complaints by producers of manufacturing milk, since that production is essential and that the government's policy compels some producers to give up their business, which could be disastrous for the future, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That the Minister of Agriculture reconsider his decision taken last year and grant to producers of manufacturing milk the fair revenue which they were seeking by removing the export levy on powdered milk, this new decision having a retroactive effect to April 1, 1976.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

* * *

[*English*]

EXTERNAL AFFAIRS

INFORMING SOVIET UNION OF CANADA'S CONCERN OVER ARREST OF CERTAIN CITIZENS IN VIOLATION OF HELSINKI AGREEMENT—MOTION UNDER S.O. 43

Hon. Mitchell Sharp (Eglinton): Mr. Speaker, I rise on a matter of urgent and pressing necessity. Canada was the

strongest proponent of basket three incorporated in the final act of the Conference on Security and Co-operation in Europe, popularly known as the Helsinki Agreement. As such we have reason to be concerned about what are regarded internationally as serious violations of the spirit and letter of that agreement by the Soviet Union. I refer in particular to the recent arrest of certain citizens of that country who have been endeavouring to ensure the full implementation of the Helsinki Agreement and who have been defending fundamental human rights whenever they are menaced in the Soviet Union or elsewhere.

● (1410)

From my own experience as foreign minister, I am aware of the difficulties and dangers of appearing to interfere in the internal affairs of another country. I am also aware of the implications of selecting particular individuals for mention. Since the signature of the Helsinki Agreement, however, such matters can no longer be regarded as purely internal, and there are occasions when specific protest is both justified and necessary, since failure to do so might imply indifference.

Accordingly, I seek leave to move under the provisions of Standing Order 43, seconded by the hon. member for Fundy-Royal (Mr. Fairweather), and with support from all parties:

That the Secretary of State for External Affairs convey to the government of the Soviet Union the disappointment and deep concern of the elected representatives of the Canadian people in parliament assembled at the arrest of Alexander Ginsberg, Mykola Rundenko, Alexy Tikhy and Yuri Orlov.

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

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

THE CANADIAN ECONOMY

USE OF OIL IMPORT COMPENSATION FUND TO INSULATE HOMES AND CREATE EMPLOYMENT—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the recent announcement of the government of its intention to issue grants and loans to assist home owners in improving the insulation of their dwellings in both Prince Edward Island and Nova Scotia, and in view of internal financial figures from the Department of Energy, Mines and Resources which show a surplus of $300 million in the oil import compensation program, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the government use these surplus funds to initiate a nationwide residential energy conservation program to conserve energy through better insulation of homes, and at the same time to assist in job creation.

Mr. Speaker: Pursuant to Standing Order 43 such a motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

NORTHERN AFFAIRS

DRILLING IN BEAUFORT SEA—REQUEST FOR TABLING OF REPORT—POSSIBILITY OF IMPROVEMENT IN MONITORING PROCESS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development, and it relates to the alarming report of the review of the Beaufort Sea drilling—or at least the first year of drilling in that area—being prepared by officials, which report, among other things, apparently states that a number of potentially serious problems remain unsolved. Inasmuch as the problem areas mentioned concerned Canmar's ability to handle well blowouts, will the minister assure this House that when completed, this report will be tabled immediately in this House so that it may be examined by the appropriate committee of the House, and if the report is available now, would the minister undertake to table it this week?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, the review process is still under way. It will continue for a few weeks to come. Once the report is received, I will see what can be done to meet the request of the hon. member.

Mr. Jarvis: In his press release of April 15, 1976 the minister said that a continuous monitoring system by ship-based federal inspectors was implemented to ensure that environmental standards were being maintained in that drilling area. Serious breaches of safety procedures have been reported, and federal safety inspectors were on board the drill ships when these breaches occurred. Can the minister say whether he has any plans to improve that federal monitoring process now in effect and if so, would he indicate when he will make us aware of the nature of those improvements?

Mr. Allmand: Mr. Speaker, the purpose of the review process was to determine if the conditions imposed on Canmar were adequate. Once the review process is completed, we will announce whether we will have more stringent conditions, in what areas and also if a more adequate monitoring system is necessary. I might say that last summer there were those

officials from the department on the drill ships. It was their duty to see that conditions laid down were followed and as far as I know that was done. It may be necessary to have more stringent conditions and that will be dealt with in the report.

DRILLING IN BEAUFORT SEA—ROLE OF DEPARTMENT OF ENVIRONMENT IN REVIEW PROCEDURE

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I hope that the minister might indicate a target date for the accomplishment of some of the programs. In the absence of the Minister of Fisheries and the Environment may I put another supplementary question to the Minister of Indian Affairs and Northern Development. In light of the general opposition to the Beaufort Sea project expressed by the predecessor to the Minister of the Environment, and in view of the series of uncertainties regarding the ultimate responsibility for the environmental protection of the north, will the minister tell the House what role the Department of the Environment is playing in the review procedure resulting from the first year's drilling operations and what voice that department will have in making the decision on the conditions under which the project will continue?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, with respect to the first question, there is a definite deadline for the termination of the review process and the receipt of the report. We will be making an announcement well before the drilling season commences with respect to this year's drilling. With regard to the Department of the Environment, it is involved but I do not have the exact details of that involvement in the House right now.

ALLEGED RELAXATION OF DRILLING REGULATIONS IN BEAUFORT SEA—REQUEST FOR REPORT

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is also to the Minister of Indian Affairs and Northern Development. He will recall that last week I asked about the reported relaxation of drilling regulations governing the Canmar project. In light of his promise to investigate the matter, is the minister now prepared to tell the House if the regulations were relaxed and if so, on whose authority?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker, I did check that out. The authorization by cabinet for the drilling did not contain specific details as to how far the concrete casing must go and so on. Those details were not part of the authorization. They were originally agreed to by departmental engineers for the region and changed afterwards by the same engineers. The question of how far down the drilling should go and how far down the casing should go will be part of the review process referred to in earlier questions. We will have more stringent conditions this year.

Mr. Neil: A supplementary question, Mr. Speaker. Could the minister advise whether the engineers who relaxed the regulations in question referred the matter back to cabinet?

Mr. Allmand: No, Mr. Speaker, that was not done. I do not know if it is correct to say they relaxed the conditions. They had originally agreed to certain conditions in respect of the drilling and after reviewing it themselves they felt it was not necessary, so agreed to new regulations or new guidelines. It was not discussed with cabinet at all or with my officials in Ottawa.

DATE OF ANNOUNCEMENT OF NEW REGULATIONS FOR DRILLING FOR OIL AND GAS IN THE NORTH

Mr. Doug Neil (Moose Jaw): A further supplementary, Mr. Speaker. In view of the fact that the northern oil and gas regulations were suspended some seven years ago, and in view of the fact that the existing uncertainty is threatening the development of oil and gas in the frontier areas, can the minister tell the House when he expects to bring in a new bill and new oil and gas regulations? Is the rumour that it will be some time in June, correct?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Maybe sooner, Mr. Speaker.

* * *

MANPOWER

OMISSION OF CERTAIN GROUP FROM UNEMPLOYMENT STATISTICS—REASON FOR LEAVING LABOUR FORCE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the minister of misery, officially known as the Minister of Manpower and Immigration.

Some hon. Members: Oh, oh!

Mr. MacFarlane: Some refer to him as the minister of hope.

Mr. Broadbent: On page 42 of the labour force survey for January of this year, some 573,000 men and women are listed as no longer being in the labour force and since in a statement the Economic Council of Canada pointed out before the weekend that they supported the New Democratic Party's contention that a large portion of such people ought to be listed among the official unemployed, I should like to ask the minister in all seriousness what he was referring to as garbage yesterday? Was he referring to his own government's official statistics? If not, if he finds the truth unpalatable, why does he not act to improve the situation instead of denying its existence?

• (1420)

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, there is nothing like a headline in the *Globe and Mail* to flush out the New Democratic Party.

Some hon. Members: Hear, hear!

An hon. Member: You mean, to wash it away?

Mr. Cullen: Well, they have to fight back. Not one statistic put out by Statistics Canada is secret or has to be leaked. All that information is available to any Canadian citizen at any time. That having been said, it becomes a question of how these statistics are to be used, and for what purposes: whether they are to be used as a basis in part for government programs of job creation, for political advantage, as they are used from time to time by the hon. member, or misused and misinterpreted. That, too, must be considered.

The official Statistics Canada report indicates that in 1976, 309,000 individuals were not looking for work at the time the labour force survey was conducted. Of this number, only 34,000 individuals gave as a reason for not looking for work their belief that no work was available in their area or suited to their skills. The remainder gave a variety of reasons for not looking for work, such as illness, family responsibility, attending school, awaiting recall to former jobs, awaiting replies from employers, etc. I think all that information should be brought forward. If the leader of the NDP is to use statistics, let him use all the information available and not mislead this country. He is the one who is spreading the misery abroad.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, if noise were a substitute for a good argument, the minister would have won his case. I ask the minister, has he consulted his own officials in Cape Breton, in the Gaspésie region and in Newfoundland on this very question, has he consulted about the numbers of people he has alluded to who are no longer in the labour force? Has he asked those officials if, in their view, those people left the labour force because they were not able to find jobs? If so, does he not agree that such people should be listed on the official statistics of the unemployed in this country?

Mr. Cullen: Mr. Speaker, not only have I consulted with my officials, I also took the other course which may not be known to the hon. member, of consulting colleagues in the House of Commons who represent those areas. Only yesterday I met three or four of them from the Atlantic provinces and Quebec. They indicated that because of some measures we are taking, it would be extremely difficult for people to take advantage of unemployment insurance, in that they would be cut off. They asked what action was being taken.

I was able to indicate to them that by virtue of our job creation programs additional amounts of money, on the basis of two to one, even three to one, will be poured into those particular regions. That, to me, seemed to be a particularly good move.

If the hon. member intends to keep referring to statistics, I remind him that we do not rely solely on one set of statistics. I indicated yesterday, I think, to the hon. member for St. John's East, that we use the labour force survey when it is to the advantage of the provinces, and we use unemployment insurance statistics when those are available. In so far as Newfoundland is concerned the use of such figures represented a 50 per cent increase, which meant that more money was being pumped into the area which sorely needs it. Really, I am interested in doing that, not in fiddling with statistics.

Some hon. Members: Hear, hear!

REASON LESS MONEY AVAILABLE FOR DIRECT JOB CREATION

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary question, Mr. Speaker. The minister suggested that he is interested in spending money. Can he explain to the House why it was possible for the government in its 1971-72 spending for direct job creation to spend $603 million on direct job creation programs when the unemployment rate was only 6.4 per cent, and why for this coming year, when unemployment is expected to average between 7.5 per cent and 8 per cent, the government can only scrape up $264 million for direct job creation?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, here, again, we see a slight under-estimation on the part of the leader of the NDP. On actual job creation we are spending in excess of $350 million. I thank the hon. member for those statistics. It is just possible that when I go to Treasury Board that is the kind of argument I use. Given the fact that we are in a period of restraint, we do not want to increase inflation and thereby increase the government's deficit or increase the interest rates, which is the action the hon. member would have us take. I think it is appropriate that in direct job creation we spend an additional $358 million. However, the hon. member again chooses to ignore the fact that my department alone, one department of government, spends $1,000,300,000 on jobs in this country.

* * *

[*Translation*]

HARBOURS

POSSIBILITY OF TRANSFERRING JURISDICTION OVER WHARVES TO QUEBEC—PROGRESS OF NEGOTIATIONS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is for the Minister of Transport.

In the course of last week, the minister has had discussions with his provincial counterparts, including that of Quebec. Can the Minister tell the House whether he discussed with his Quebec contract the question of the transfer from the federal to the provincial—

An hon. Member: Counterpart!

Mr. Lambert (Bellechasse): Listen, you never make mistakes! It is a bit early for you to be sporting haloes! Shut up at least!

Can the minister tell the House if they discussed the transfer from the federal to the provincial authorities of certain wharves, namely those of Montmagny and the Île aux Grues? If so, can he inform the House of the progress made in the

negotiations, so that the matter might be settled before the opening of the sailing season in the spring of 1977?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the subject of the meeting was, of course, motor carriage. Therefore, we did not deal with this matter on the main agenda. I have discussions beginning between our officials, looking toward a more complete meeting on the subject between myself and the minister of transport from Quebec. However, during the course of these meetings my parliamentary secretary has had an opportunity to raise the subject of wharves with the minister.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, following the minister's answer, can he tell the House whether his department is already willing to consider repairing these wharves before their transfer to the provincial authorities, or whether his department will agree to give funds to the province of Quebec to take over the maintenance of these wharves right now?

[*English*]

Mr. Lang: Mr. Speaker, hon. members will appreciate that is one of the types of things that will be discussed in the negotiations.

* * *

NATIONAL REVENUE

WRITS OF ASSISTANCE GRANTED POLICE OFFICERS UNDER EXCISE AND CUSTOMS ACTS—GOVERNMENT ACTION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, in the absence of the Solicitor General, I will direct my question to the Minister of National Revenue. Recently the RCM Police applied to the Federal Court for 14 writs of assistance under the Excise Tax Act for selected officers and 15 applications under the Customs Act. In the judgment of the Federal Court judge, Mr. Justice Collier, he stated that he granted the application with substantial reluctance. He attached, and quoted with approval, a judgment from two years ago, stating that it was shocking and incredulous to have to give these orders to unknown officers, granting them unlimited powers with no date of expiry. Is the minister aware of these applications and is she planning on doing anything with regard to this kind of application under Acts which she administers?

● (1430)

Hon. Monique Bégin (Minister of National Revenue): I will look into the matter and report to the House as soon as possible.

Mr. Hnatyshyn: While the minister is looking into the matter I wonder whether she will consult with the Solicitor General as well, having regard to the Bill of Rights and the human rights legislation now before the House, in view of the fact that questionable activities of the RCMP, in some respects, have been brought to light, sometimes in the guise of national security, will the minister have a full review with the Solicitor General as to these applications and whether or not they can change this procedure with respect to applications under these two particular acts?

* * *

TOURISM

MEASURES TO DECREASE DEFICIT—PROPOSED UNITED STATES LIMITATION ON CONVENTION EXPENSES—GOVERNMENT ACTION

Mr. David MacDonald (Egmont): Mr. Speaker, I should like to address my question to the Minister of Industry, Trade and Commerce, but in his absence I will direct it to the Prime Minister. It concerns the alarming growth of the deficit in the tourist industry. The figures indicate that for the first three quarters of 1976 the deficit amounted to $960 million, an increase of 68 per cent over the travel deficit for the same period in 1975. Since important meetings took place in December with respect to this matter, and since all the ministers agreed that something had to be done about this increase in the tourist deficit, may I ask whether the Prime Minister is aware of any specific initiatives which have been placed before the provinces, or agreed to by them, in order that this deficit might be substantially reduced, one which certainly worsens our over-all trade pattern and cannot help the situation with respect to employment, particularly in provinces where tourism is a major factor?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Minister of Industry, Trade and Commerce did, of course, attend the meeting of all ministers in the country interested in this problem. It was acknowledged by all present that the industry was facing a problem of the kind the hon. member has mentioned. All the ministers, including the Minister of Industry, Trade and Commerce, resolved that there would be further and better co-operation so that our resources might be directed not to dispersing the powers of the federal government and of the provinces but to bringing them together and putting forward our best effort, especially in parts of the world where we may be able to attract more visitors. And, of course, ask Canadians to do more travelling in Canada rather than in foreign countries.

Mr. MacDonald (Egmont): Since the Prime Minister seems somewhat bashful, or uninformed, perhaps I could direct this question to him with respect to his upcoming visit to the United States. In view of the fact that new and proposed tax legislation in the United States limiting the deductibility from income for tax purposes of convention expenses incurred outside that country will severely restrict the flow of U.S. tourist dollars into Canada, further increasing the magnitude of the tourist deficit, has the Prime Minister placed this matter on the agenda for discussion with President Carter while he is in Washington next week? Specifically, are proposals being put

together for presentation to the president in order that there might be a satisfactory resolution of this problem, at least?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member should not mistake for bashfulness my deference for the very knowledgeable parliamentary secretary.

Some hon. Members: Hear, hear!

Mr. Trudeau: I am only bashful in the face of superior knowledge, Mr. Speaker. I might add that it does not often come from the other side.

Some hon. Members: Oh, oh!

Mr. Trudeau: The question asked by the hon. member relates to the serious problem the Americans are encountering with their economy. They experienced a serious recession a couple of years ago and it is quite understandable that tourists in that country should have less money to spend and that the government should be adopting measures to preserve their position. However, with the expected upturn in the economy of the United States, we hope the influx of tourists from the U.S. will increase and that measures of the kind to which the hon. member alludes will be looked at in this light.

Mr. MacDonald (Egmont): I am relieved that the Prime Minister was able to answer the second question, but disquieted by his acceptance, or seeming acceptance, of this legislative change proposed in the United States. Does his answer mean that no representations will be made either at the Congressional or administrative level with respect to these proposals, given the substantial impact they would have on the expenditure of U.S. tourist dollars in Canada? Can he tell us whether or not instructions have already been sent to our officials in Washington so that some preparatory work can be done at the Congressional level, given the different nature of the systems of government in Canada and the United States?

Mr. Trudeau: I intended my answer to indicate the contrary—that there would be more optimism in the United States under the new administration with regard to the economic future and that restrictions of the kind the hon. member was mentioning would not be necessary. As to the second part of the question as to whether representations have been made, I will inquire about that.

* * *

FINANCE

RELATIONSHIP OF GOVERNMENT EXPENDITURES TO GROSS NATIONAL PRODUCT—EFFECT OF SPENDING CUTS ON EMPLOYMENT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is to the Minister of Finance who on Friday confirmed his commitment "to reduce the percentage of the gross national product which the government of Canada takes." We are now approaching the end of the fiscal year. Would the minister tell the House whether, in fact, government spending for the current fiscal year will be less than the increase in the gross national product?

Hon. Donald S. Macdonald (Minister of Finance): My colleague, the President of the Treasury Board, in the course of tabling the estimates tomorrow, will be making a statement on the situation in the current year and the coming year.

Mr. Stevens: Referring once again to the minister's remarks on Friday, I note he rejected the suggestion that there should be further spending cutbacks on the part of the federal government, arguing that they would increase unemployment. Would the hon. gentleman now clarify his position by explaining whether he believes that federal government spending cuts inevitably lead to increased unemployment and, conversely, whether federal spending increases are the only way to create jobs in this country?

Mr. Macdonald (Rosedale): The converse doesn't follow, but I would point out to the hon. member, with reference to his suggestion in the past that there should be a substantial lay-off of federal public servants, that this is hardly a way to reduce unemployment.

Some hon. Members: Oh!

Mr. Baker (Grenville-Carleton): When did anybody say that?

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

ELIGIBILITY FOR BENEFITS OF THOSE 65 YEARS OF AGE WHO DID NOT APPLY FOR OLD AGE PENSION

Mr. Gilles Marceau (Lapointe): Mr. Speaker, my question is for the Minister of Manpower and Immigration.

In view of the important statement made yesterday by the minister concerning the benefits paid to people of 65 and over, I should like additional information. Could the minister look into the situation of those who sought the advice of UIC officials and were told to apply to the Quebec Pension Plan, since they were not eligible for unemployment insurance since January 1st, 1976?

As all those people who were eligible before January 1st, 1976, applied to the Quebec Pension Plan on the advice of UIC officials or because of a misinterpretation of the act for which they cannot be held responsible, would the minister agree to pay them their unemployment benefits for the period during which they were eligible, while deducting as income the amounts they received under the Canada Pension Plan or the Quebec Pension Plan, as the case may be.

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): We do not have authority to move in the area the hon. member has suggested. Technically, only those who launched their appeals and did not make claims for QPP and CPP would

qualify. However, in the interest of equity we are examining each of the cases—I think there are some 14,000 or 18,000—and we shall notify the individuals concerned that they may conceivably be eligible for a benefit. With respect to those who took this step of applying for CPP and QPP we will try to pay the difference from the date they were cut off until they actually began receiving their cheques under either of the programs. This appears to be as far as we can go under the authority of the Act as I read it.

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NORTHERN AFFAIRS

RESPONSIBILITY FOR CHANGE IN REGULATIONS FOR DRILLING IN BEAUFORT SEA—SAFEGUARDS TO BE IMPOSED

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. On February 4, as reported at page 2715, my hon. friend from the Northwest Territories asked a question about a blowout from a well drilled by Dome Petroleum in the Beaufort Sea. The minister promised at that time to make a report to the House. If the answer given to the hon. member for Moose Jaw constitutes that report, I must say it is most inadequate. In view of the fact that we were assured in the House last year that drilling in the Beaufort Sea would be carried out under the strictest possible supervision, may I ask the minister whether he is now telling us that engineers on the ship were allowed to change the standards according to which the company was required to put in casing all the way down to the gas formation? What I am asking the minister definitely to tell the House is whether or not the chain of command is so lax in his department that engineers on the ground can make a change in regulations laid down by the department and the cabinet.

● (1440)

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, in answer to the earlier question I pointed out that the requirement for casing down to a certain depth was decided upon by the regional engineer who is an expert in these matters. It was the same regional engineer who agreed later, after reviewing the situation, that it was not necessary to go down to the originally designated depth. Whether or not the water blowout—it was a water blowout, not an oil blowout—was due to the depth of the casing is not yet clear and will only become known once the review process now under way is completed. By the way, that report will be made public in a few weeks' time once it is received by me.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. Radio reports this morning indicated that a committee of the minister's department is making a report to the minister, which I understand is going to be made public. The report indicates that in the submission to him his departmental committee is going to recommend five-year permits for drilling in the Beaufort Sea. I want to ask the minister, under such a provision, what type of safeguards will be imposed; I hope that they will be more effective than the safeguards which were imposed last summer. Also, may I ask the minister whether, before deciding upon granting five-year permits, he is prepared to submit this matter to the Standing Committee on Indian Affairs and Northern Development.

Mr. Allmand: Mr. Speaker, I think the report about five-year permits and other presumed reports of the committee are incorrect. The committee has not yet finished its review of the process, nor has it completed its consultations with the communities involved. The committee will only write its report, I understand, in about a month's time, so it is not yet known what it will be recommending. If it does recommend more stringent conditions, then we will certainly give that our close attention.

SUGGESTED COMMITTEE STUDY BEFORE GRANTING FIVE-YEAR PERMIT TO DRILL IN BEAUFORT SEA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A final supplementary question, Mr. Speaker. The minister did not answer the last part of my question. In the event that the suggestion of a five-year permit is approved by the minister and his department, will he undertake that before such a decision is made and before drilling begins on a five-year permit basis, this matter will be submitted to the Standing Committee on Indian Affairs and Northern Development?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Well, Mr. Speaker, I think it is very speculative to suggest that there may be a five-year permit. As far as I know there has been no suggestion in that respect at the present time. My estimates will be before the committee in due course and I will be willing to answer any questions with respect to this whole program.

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FINANCE

TARIFFS ON OFFSHORE TOMATOES—GOVERNMENT ACTION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is directed to the Minister of Finance and is a follow-up to a question I asked him a few days ago, I think last week, regarding the importation of Taiwanese tomatoes into Ontario. Does the minister have an answer to protect the farmers of Hastings and Prince Edward counties and other parts of Ontario?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would like to thank the hon. member for giving me notice of his question. I am glad to advise him that we have applied a surtax on canned tomato imports from Taiwan.

Oral Questions

MANPOWER

REASON FOR FAILURE TO INCLUDE STATUS INDIANS IN UNEMPLOYMENT STATISTICS

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration in charge of unemployment insurance. In view of the fact there has been some question in recent days about the number of people who are unemployed, and in light of the fact that a Canadian human rights bill is being introduced into the House, does the minister still find it acceptable that status Indians are not included among the unemployment statistics in this country, or is this just a way of trying to show a low figure when in fact that is the group having the highest level of unemployment in Canada?

Hon. Jack Cullen (Minister of Manpower and Immigration): No, Mr. Speaker. The fact that they are not included in the labour force survey is something that my friend might take up with StatCan and with the Minister of Industry, Trade and Commerce. Recognizing that status Indians on reserves are not included in the labour force survey, we have made an additional allocation and treated the unemployment figure as 75 per cent and have made quite a substantial amount of money available under our Canada Works program to cover the particular group to which the hon. member refers.

Mr. Malone: A supplementary question, Mr. Speaker. Is the minister going to make representation, in light of the upcoming human rights bill, that status Indians be included in the labour force; and secondly, would he give the House some indication what the unemployment rates are among the non-status Indians and Metis people of this country?

Mr. Cullen: Here again, Mr. Speaker, on the question of statistics, no, I do not intend to make that representation. So far as status Indians on reserves are concerned, that particular information is well known. Based on that information we are able to take the action that we needed to take at the job-creation end, which in fact is my responsibility. The others who are status or non-status Indians off the reserve are included in the labour force survey.

LEVEL OF UNEMPLOYMENT AMONGST INDIANS IN NORTHWESTERN BRITISH COLUMBIA—GOVERNMENT ACTION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question too deals with additional statistics and is in regard to reports from northwestern British Columbia, from the town of Smithers, where it is reported that 95 per cent of the Indian population is unemployed, as is 50 per cent of the rest of the population. Did the minister avail himself of the opportunity, when the premier of British Columbia was here, to discuss this matter with him, and did he exert his influence with his cabinet colleagues, particularly with the Minister of Regional Economic Expansion, to see what the federal government can do to alleviate this most serious problem?

[Mr. Macdonald (Rosedale).]

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I share with the hon. member his concern at the high level of unemployment among Indians in that area. I have had first-class, excellent representations and information brought to me by the Minister of State responsible for sports in regard to this particular problem. It is because of representations such as hers that we did see fit to treat the figure as 75 per cent unemployment right across the country, so that so far as the job creation aspect at least is concerned we could relieve some of the concern to which the hon. member refers. No, I did not talk to the premier of British Columbia; I was not invited to the meeting.

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REGIONAL ECONOMIC EXPANSION

PROGRAMS FOR BRITISH COLUMBIA—DISCUSSIONS WITH PREMIER

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, may I address my final supplementary question to the Minister of Regional Economic Expansion who is expecting my question. Could he tell me whether he had the opportunity to discuss with the premier of British Columbia the most serious problems faced by industry and commerce and all people of central and northwestern British Columbia at the present time?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Yes, indeed, Mr. Speaker. When I met last week with Premier Bennett we touched on most of those questions. We have agreed to address ourselves to them and have instructed our officials to work hard to find a solution and a proposal that both governments will be able to support in the months ahead.

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GOVERNMENT ADMINISTRATION

POSSIBILITY JURISDICTION OVER SOME AGRICULTURAL AGENCIES TRANSFERRED TO CONSUMER AFFAIRS DEPARTMENT

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct my question to the Prime Minister. Since there has been a good deal of concern by people in the agricultural industry that the federal government is looking into plans to move the Farm Products Marketing Council and its agencies, plus the Canadian Dairy Commission, to the Department of Consumer and Corporate Affairs as part of its move toward a national food policy, I would ask the Prime Minister whether he would indicate if discussions have taken place in this particular area.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, certainly not with me or in cabinet. I will see whether there are any experts looking into the question; I doubt it very much.

BANK ACT

PROPOSED PROCEDURE FOR DEALING WITH AMENDMENTS—ALLEGED FAILURE OF OPPOSITION TO AGREE TO REFERENCE OF WHITE PAPER TO COMMITTEE

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I have a question for the Minister of Finance. Would the minister indicate to the House the plans of the government for dealing with the proposed Bank Act amendments, particularly in light of the fact that agreement was not reached with the official opposition respecting a reference of the white paper to the Standing Committee on Finance, Trade and Economic Affairs—

Mr. Baker (Grenville-Carleton): Nonsense.

Mr. Cafik: —which would have facilitated public hearings on this very important issue?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, it appears that it will not now be possible to have a fully drafted Bank Act in time for full consideration by parliament before the present Bank Act expires on June 30 next.

An hon. Member: Is that the fault of the opposition?

● (1450)

Mr. Macdonald (Rosedale): It would therefore be the intention to introduce a short bill to extend the life of the current Bank Act for a further six months so that parliament may have adequate time to deal with the matter.

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EXTERNAL AFFAIRS

REPRESENTATIONS TO FRANCE ON NUCLEAR REPROCESSING PLANT FOR PAKISTAN IN VIEW OF ATTEMPT TO LEARN HOW TO BUILD NUCLEAR DEVICE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Secretary of State for External Affairs. It arises from recent disclosures made by United States Senator William Proxmire that Pakistan embassy officials in Washington attempted to obtain information from John Phillips, a student at Princeton University, on how to build a nuclear device. Is the minister aware of this report, has he investigated it, and has he taken any action with the French government which is scheduled to build a nuclear reprocessing plant for Pakistan?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, if I had time to read the question I would understand the connection between the beginning and the end of it.

Some hon. Members: Oh, oh!

Mr. Jamieson: I am aware of the story to which the hon. member referred because I saw it on the televised news, but I was not aware of any direct linkage between that and Pakistan. Since we have abandoned all nuclear assistance to Pakistan as of the present time, I am not sure what I might be able to do, but I will be glad to look into it.

Mr. Beatty: I will give it to the minister more slowly. In view of the fact that Pakistani officials confirmed that they approached Mr. Phillips to try to get information on how to build nuclear devices, is the minister prepared to make direct representations to the government of France to discourage France from building for Pakistan a reprocessing device which would use the nuclear waste from CANDU reactors?

Mr. Jamieson: Yes, now I understand the connection.

Some hon. Members: Hear, hear!

Mr. Jamieson: I will be glad to make representations to France again, as we have done repeatedly in the past, but I do not think that the French diplomats would be impressed if I said we wanted to stop it because of the incident to which the hon. member referred. We have been doing it on a much more broad and general basis and will continue to do so.

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INDUSTRY

CANADAIR LEARSTAR JET PROJECT—EXTENT OF GOVERNMENT FINANCING—REFERENCE TO STATEMENT BY MINISTER

Mr. Allan B. McKinnon (Victoria): My question is for the Minister of Industry, Trade and Commerce. On October 18, 1976, the minister told the House that the Canadair LearStar 600 executive jet project does not require direct financial intervention by the government. Will the minister confirm that so far the government has paid $38 million to buy Canadair, guaranteed a loan for $50 million for start-up costs for the LearStar 600, and now is financing the federal Express Corporation's purchase of 25 planes, thus putting itself in the peculiar position of financing both the vendor and the customer from the start?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I suspect the hon. member is annoyed by the great success of that program, because we have already had over 65 orders, and in his intervention of October 18, he said the program was stupid. For a stupid program, I think we have been quite successful.

[*English*]

Mr. McKinnon: My question is for the same minister. On February 10, as reported in *Hansard* at page 2934, the minister stated that:

> I remember replying to some questions in this House. I stated that the prospects were not too bad and that I thought we had a good chance of selling 25, 26, or 27.

He concluded those remarks by wishing that the opposition would open their eyes once in a while.

Some hon. Members: Hear, hear!

An hon. Member: Good idea.

Mr. McKinnon: As one of his questioners on the Lear jet contract I have searched *Hansard* without success trying to find the comments the minister claims to have made in the House. Could he now inform me as to when he made the remarks he claims to have made? The alternative for me will be to assume that he was indulging in witless boasting last Thursday and has attempted to mislead the House.

Mr. Chrétien: Mr. Speaker, to be exact, it was on November 2 in reply to the hon. member for Winnipeg South Centre. But I did not say then that we had 25, 26, or 27. I was right when I said it was 53.

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IMMIGRATION

ALLEGED EXEMPTION OF VISITORS FROM CUBA OF VISA REQUIREMENT—GOVERNMENT ACTION

Mr. Ron Huntington (Capilano): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that visas are required for all visitors to Canada from Communist block countries, can the minister advise the House why recent visitors from Cuba have been exempted from this visa requirement?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I will check into that, it being one detail with which I am not familiar in the department.

Mr. Gillies: Mr. Speaker, I have a question for the Secretary of State for External Affairs and it deals with the recent agreement signed by Canada.

Mr. Speaker: Order, please. The hon. member for Capilano on a supplementary question.

Mr. Huntington: I wonder if while the minister is checking into this important question, in light of the type of training programs being sponsored in Canada by the Cuban embassy, he will give serious consideration to the requirement for visas for visitors to Canada from Cuba?

Mr. Cullen: There is one mistake, Mr. Speaker. I do not think we will make our policy based on that.

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EXTERNAL AFFAIRS

AGREEMENT WITH SPAIN ON EXPORT OF NUCLEAR SUPPLIES AND DEVICES—TYPE OF SAFEGUARDS APPLICABLE

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Secretary of State for External Affairs. It has to do with the recent agreement signed by Canada with Spain with respect to the export of nuclear devices and supplies. In the release by the Department of External Affairs it is stated that Spain has agreed to abide by the safeguards of Canada as of 1974-1975. Given the fact that the government brought down new safeguards in the fall of 1976, I should like to ask the minister whether this means that exports to Spain are governed by an earlier set of guidelines than the ones that prevail now on new contracts being made by the Department of External Affairs for the government of Canada?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Once again, Mr. Speaker, this is a highly technical question. I would like to take the details of it as notice, but my recollection is that both apply. In other words, Spain is not only subject to the earlier safeguard agreements which have been signed but also to those that were announced by me on December 22. But I will look into them in detail and let the hon. member know, or answer him in the House.

* * *

MANPOWER

CANADA WORKS PROGRAM—SUGGESTED CREATION OF SPECIAL FUND FOR RECYCLING OPERATION

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Because the Canada Works program as presently constituted would require some worthy would-be recipients of funding to layoff or fire existing personnel before qualifying for grants, thus defeating its job creation purpose, would the minister consider setting up a special fund for recycling operations, particularly under the Canada Works program, in much the way the special Indian fund has been separated from the general allocation?

Hon. Jack Cullen (Minister of Manpower and Immigration): I do not think so, Mr. Speaker. We are trying to create jobs for Canadians who are not working at present.

CANADA WORKS PROGRAM—REQUEST FOR RECONSIDERATION OF SITUATION IN OKANAGAN-KOOTENAY CONSTITUENCY

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is supplementary to one asked earlier by my colleague, the hon. member for Okanagan Boundary. In replying to that question, the minister referred to an article in the Ottawa *Journal* of February 5. I read that article since then and find the most plausible sentence in it to be the one saying that my figures were correct. While the minister is giving the review that he promised the hon. member for Okanagan Boundary regarding the unemployment statistics there and the possibility of the allocation being too low, would he consider at the same time the neighbouring constituency of Okanagan-Kootenay, because daily I receive letters in regard to the extraordinarily high rate of unemployment there at present?

Hon. Jack Cullen (Minister of Manpower and Immigration): I think, with respect, that the hon. member is putting words into my mouth, Mr. Speaker.

Mr. Broadbent: A refreshing change.

* * *

[*Translation*]

LOTO CANADA

REQUEST THAT CHANGES IN REGULATIONS BE RECONSIDERED

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

Can he tell the House whether, as a result of the very disappointing results of the post-Olympic lottery (Loto Canada) he intends to reconsider the changes that were made which may originally have been the cause of the lottery's decline?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am still unaware of the changes alluded to by the hon. member; perhaps, he could put a supplementary to me.

REASON FOR LOCATION OF OFFICES IN OTTAWA

Mr. René Matte (Champlain): Mr. Speaker, could the Prime Minister enlighten us as to the circumstances which led to the resignation of the former president, Mr. Julien Côté, and the main reasons for deciding to move the head office from Montreal to Ottawa?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, the board of directors of Loto Canada chose to be in the national capital seeing the lottery is national, and I think that decision is quite logical.

* * *

● (1500)

[*English*]

PRIVILEGE

MR. BAKER (GRENVILLE-CARLETON)—REVISIONS TO BANK ACT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I asked for the privilege of speaking to you and to the House at three o'clock as a result of the intervention of the hon. member for Ontario (Mr. Cafik) which I would be charitable in describing as an irresponsible intervention. In that intervention he seemed to imply that the failure of either a revision of the Bank Act or a reference of the white paper on banking to the committee was because of some difficulty which had occurred with regard to the official opposition. At least, I presume that that was the case, or perhaps it was the opposition in general.

I want to indicate to the hon. member that that is not so. As a matter of fact, when the hon. member for Eglinton (Mr. Sharp) was the government House leader, I wrote to him on

August 26, 1976, asking for the reference of that white paper to the appropriate standing committee. I think it is important for the House to know that in my letter I said the following:

> In recent months you and I have shared a common concern about the real relevance of the House of Commons to public policy decision-making. We both believe, I think, that the House is the ideal and proper point of contact between the people of Canada and their elected and appointed leaders. While this shared belief should lead over the next several months to worth-while reforms of our procedures, perhaps you might consider the following suggestion for a short-term experiment.

The next paragraph refers to Canadian banking legislation, and particularly the white paper. I go on to say this:

> To this end I suggest that the white paper on Canadian banking legislation be referred to the Standing Committee on Finance, Trade and Economic Affairs as soon as the House returns in October.

It is now February.

> Hearings could be held before Bank Act amendments are drafted in their final form and those institutions or individuals with an interest in the banking system could be heard. This seems to me to be preferable to a closed review of the report followed by the presentation to the House of a complex and essentially unchangeable draft bill.

This request was made of the then government House leader in August of 1976.

> If the Standing Committee on Finance, Trade and Economic Affairs did hold hearings and issue a report, I assume that the committee stage of House deliberations on the actual amendments to the act would then be brief.
>
> The summary to the white paper states on page 47: "The proposals in this white paper are based on the assumption that Canadians want a banking and financial system which is national in scope, controlled by Canadians and as competitive as possible."

I conclude my letter by saying this:

> I hope the House of Commons will be encouraged to find out what else Canadians expect from the banking system.

Subsequently I received a letter from the government House leader dated January 21, 1977. I believe I have referred to this already in the House. The letter is dated less than a month ago and there is a paragraph on page 2 which reads:

> As you are aware, the Bank Act expires on June 30, 1977. We are making every effort to have a new bill ready for spring.

It has now become apparent from the answer that the new bill is merely to be a one-line bill extending the present banking system. The purpose of this intervention is to indicate that in the happy exchange of views which occurred—and which continues to occur—between the opposition and the government House leader there has been every hope, and every effort has been made by the official opposition, to have that white paper brought to the committee. I might say, without revealing any confidences at all, that this matter has been discussed between the present government House leader and myself. It was discussed on the basis that there was a willingness on the part of the present government House leader to have that paper come forward, but that I had to understand—which I did—that the discussion of that white paper might be interrupted by the presentation of a revision to the Bank Act.

I think we should be very clear that I have taken the view—and I know my predecessor took the same view—that the members of this House, not just on the opposition side but on the government side as well, have not had an opportunity to

engage in this aspect of policy-making in a very significant way. This would have been an important opportunity and we have pressed to have this kind of innovative approach take place. This approach is not unique by any means, but it is innovative in terms of the day-to-day unfolding of parliament. So I want to make it clear to the House and to the hon. member for Ontario that in what he has said he has misled the House. I am sure it was inadvertent.

An hon. Member: I wouldn't say that.

Mr. Baker (Grenville-Carleton): At least I hope it was inadvertent. There has been an attempt by the official opposition to have this white paper brought forward and to have a reference made, and I am informed by the hon. member for York-Simcoe (Mr. Stevens) that if that had happened it would have been the intention of his committee, which would have charge of the debate, to make the debate on that reference very short indeed. So I think the hon. member for Ontario owes me, the opposition and the House, an apology.

Some hon. Members: Hear, hear!

Some hon. Members: No.

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I noted that the hon. member for Grenville-Carleton (Mr. Baker) began his remarks by alluding to my question and its contents as being charitably irresponsible. I do not know his definition of "charity", but it seems to me that it would at least imply an understanding of what gave rise to the comments I made. It is quite evident, from the point made by the hon. member for Grenville-Carleton, that he has had communication with the government House leader, but there is another point which I think is abundantly clear, and that is that he ought to have had communication with his own colleagues.

Some hon. Members: Hear, hear!

Mr. Cafik: The hon. member would then have realized the difficulty. When I was first elected chairman of the Standing Committee on Finance, Trade and Economic Affairs—

An hon. Member: That was a disaster.

Mr. Cafik: —I called a subcommittee meeting precisely to deal with questions relating to the white paper on banking and the proposed Bank Act which would be forthcoming. At that time, as chairman of the committee and with the consent of all members, I entered into negotiations with the government House leader and with the Minister of Finance (Mr. Macdonald) in an attempt to achieve agreement whereby this committee of the House would be given the white paper to study. The purpose of that directive of the subcommittee to me was so that we could begin public hearings on that working paper and therefore cut down the length of time which would be needed to debate the bill when it was brought forward. I discussed this matter with the government House leader and the Minister of Finance and agreement was reached whereby the white paper would be referred to our committee.

The agreement was reached on these conditions: first, that there would be a limited debate on the reference itself. I pursued the matter further and it was agreed with the government House leader and the Minister of Finance that the debate would be limited to no more than one day's duration, and that was quite acceptable. Second, the agreement was that the standing committee would complete its public hearings by Easter of this year, and following that we would move to clause by clause consideration of the bill, if it was before us by that time, and conclude by the end of this session.

The whole agreement broke down when I raised this question with the steering committee and with members of the Conservative party because the hon. member for Edmonton West (Mr. Lambert), who I presume was speaking for the members of his party, would not agree to a limited debate on the reference of the white paper. He indicated that the debate would last more than one day and in all likelihood that it would be a very extended debate. With that information brought forward by a representative of that party, I went back to the House leader and indicated that this was what was happening. That meant an end to the agreement, much to the chagrin of members of the New Democratic Party who wanted that reference, to members of this party who wanted the reference, to members of the government who were prepared to give the reference, and to some members of the hon. member's party who wanted to see a reference.

● (1510)

Those are the hard facts from my vantage point and my involvement in this matter. Therefore, the question that I raised and the comment that I made in that question is perfectly valid as far as I am concerned. Until the hon. member for Grenville-Carleton brought forward his communication with the House leader, I was not aware of it. The simple fact is that there appears to me to be a very legitimate misunderstanding between the House leader for the Conservatives and myself on this question and I—

Mr. Speaker: Order, please. I am sure all hon. members will realize the difficulty that is encountered when negotiations are described on the floor of the House or attempted to be carried out on the floor of the House. There has been exposure of the point that objections were taken, on the one hand, to the tone of the question by the hon. member for Ontario (Mr. Cafik) and the premise of the question. There has been a response. The further we get into the response, the more it is evident there is disagreement on the question of negotiation and understanding between members about arrangements to debate a reference or deal with a reference to committee and, in turn, debate a bill. All of this anticipates orders of the day and discussions that will take place on measures before the House or, alternatively, anticipates discussions related to matters that ought properly to be before a committee.

I did not want to cut that discussion short before allowing both sides ample time to state their positions. I think I have done so. It seems to me that the longer we let this go on, the more likely it is that other members will want to get involved

and state their understanding of agreements that have taken place and negotiations that have taken place outside the chamber that by their very nature are not binding on this House. They ought not to be referred to, I think, and probably ought not to be referred to in a definitive way. I wonder if I might invite the co-operation of all hon. members, having given equal time to both sides, to terminate that question now and get on with other matters.

The hon. member for Fundy-Royal (Mr. Fairweather), on a question of privilege.

MR. FAIRWEATHER—NEWSPAPER AND RADIO COMMENT ON NATIONAL ASSEMBLY OF QUEBEC

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, you had notice that I intended to raise this matter of privilege which I suggest affects all of us. A Canadian Press story on the front page of today's *Globe and Mail*—which also was put out on the CBC radio news broadcasts—states that the Speaker of the National Assembly of Quebec "sits in gallery for foreigners". I suggest there are enough strains placed upon confederation these days without the need for pejorative and inaccurate headlines.

Some hon. Members: Hear, hear!

Mr. Fairweather: These headlines have already—I had in my notes that they are bound to jangle nerves already somewhat raw because of those who wish to dismantle this country. I do not mean to be preachy, but the gallery where Mr. Clement Richard sat yesterday is the Speaker's gallery where you, sir, extend your courtesy to a visitor whether it be the Speaker of the territorial government of the Northwest Territories, of Saskatchewan, of British Columbia, Venezuela or other countries outside Canada. It is my understanding that visitors of the Governor General, the Prime Minister (Mr. Trudeau), or Your Honour sit in that gallery when they are here.

A similarly phrased headline would not have followed, I suggest with great respect, a visit of the Speaker of the legislative assembly of my province, New Brunswick. I ask, why we are subjected to this type of headline in these days?

Some hon. Members: Hear, hear!

Mr. Fairweather: I am not attaching a motion to this intervention. What I plead for, as we pursue what I am sure is our joint resolution to preserve confederation, is that moderation be exercised. As my colleague, the hon. member for Halifax (Mr. Stanfield) said, moderation in everything but our will to preserve Canada.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Fundy-Royal (Mr. Fairweather) has raised, by way of a question of privilege, an event that occurred yesterday which I am sure has baffled and concerned a number of hon. members. The hon. member's description of the event is absolutely correct.

My colleague from the province of Quebec was seated in the area which is the most honoured position we can give to distinguished visitors. It is the same seat that is occupied by my counterpart in every province of this country, and it has never before drawn that kind of headline. I am grateful for the hon. member's intervention. There is no motion attached to it, and therefore no decision for the Chair to take.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Saskatoon-Biggar (Mr. Hnatyshyn).

Mr. Hnatyshyn: Mr. Speaker, I rise somewhat reluctantly on a point of order at this juncture. It deals with my question earlier in the question period. I know Your Honour has made an excellent interpretation of the questions and has discerned whether a representation has been made to any particular minister on any particular topic. I rise today because I feel very strongly about what I consider to be prima facie evidence of the infringement of the Bill of Rights of our country of the basic concepts and precepts of our common law principles of justice in Canada.

I want to bring to Your Honour's attention the fact that what I was attempting to do in the questions put to the Minister of National Revenue—and the Solicitor General, if he were here—was to bring the matter to their attention and request that they give an undertaking to stop this kind of activity with respect to legislation and acts under their particular jurisdiction. My purpose was to obtain, in the course of questioning, at least, an undertaking that they would review individually the applications to be made to the court with respect to this kind of application for writs of assistance in which there is no date of expiry, no specified officers or constables mentioned in the writ and which give unlimited powers to members of the national police.

It was not my intention to make a representation. I am sorry if I was not as clear as I might have been, but I feel so strongly about this question that I want to bring it to Your Honour's attention at this time so that I may pursue it at a subsequent time.

Mr. Speaker: Order, please. I think the hon. member for Saskatoon-Biggar deserves an explanation of my decision not to permit him a second supplementary question, that is to say, a third question. It is unrelated to the fact that he was making a representation. The minister did indicate, in response the hon. member's first question, that the answer would be delivered at a later time and the minister was not prepared to answer at this time.

That always sets in motion a difficult chain of circumstances for the Chair in that obviously it will be the intention and desire of the member putting the question to pursue the matter with supplementaries when the minister comes back with information. It is, therefore, difficult to allow the hon. member supplementaries at this time and on the subsequent occasion. I think the hon. member ought to have the opportunity to add, by way of one supplementary, other aspects of the question

which the minister ought to be invited to include in the investigation for an answer at a later date.

I therefore allowed the hon. member a supplementary with the hope—and I am sure the hon. member will watch it closely—that the minister will come back at an early date. On that occasion the subject will be amplified by further supplementaries.

ROUTINE PROCEEDINGS

[*English*]

CANADA LABOUR CODE

MEASURE TO PREVENT DISCRIMINATION AGAINST PERSONS WITH CONTROLLED ILLNESSES

Mr. Paul Dick (Lanark-Renfrew-Carleton) moved for leave to introduce Bill C-396, to amend the Canada Labour Code.

Some hon. Members: Explain.

Mr. Dick: Mr. Speaker, it is a very simple bill and one which I hope the government will adopt as part of its own platform and policy. Therefore, it may get on a little earlier. I want to amend the Canada Labour Code which would control that part of commerce and trade which falls under federal jurisdiction so that people with controlled illnesses such as diabetes will not be discriminated against as we have seen happen in the not too distant past.

● (1520)

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

* * *

PETITIONS

CONTEMPLATED INCREASES IN SHELTER AND UTILITY CHARGES AT CFB, GAGETOWN

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid on the table the seventh report of the Clerk of Petitions, stating that he has examined the petition pesented by the hon. member for York-Sundury and finds that it meets the requirements of the Standing Orders as to form.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answerd today: 144, 292, 586, 626, 682, 902, 986, 996, 1,253, 1,301, 1,319, 1,357, 1,368, 1,516 and 1,606.

[*Text*]

INDUSTRY, TRADE AND COMMERCE—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 144—**Mr. Orlikow:**

1. For the fiscal year 1975-76, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Department of Industry, Trade and Commerce?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-74?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. (a) and (b) See following list.

2. See following list.

3. There were no contracts let, in the fiscal year 1973-74 for these types of studies.

NOTE: This reply excludes all information pertaining to the Canadian Government Office of Tourism. (See Question No. 292 answered this day.)

	Name of Firm	Services Rendered	Amount of Contract
1(a)	H. R. Doane & Co.	To perform audit and verification services from February 1, 1975 to December 31, 1975 during the period of the government's option to purchase shares and notes of capital stock and notes of Canadair Ltd.	$56,000
1(a)	H. R. Doane and Co.	To assist IT&C in evaluating both Canadair Ltd. and the de Havilland Aircraft of Canada Ltd., prior to the sale of each company to private Canadian investors.	$30,000
1(a)	Canadian Design Service	To provide drafting services on an as and when required basis to assist the Metric Commission in developing conversion plans of the sectors of the Canadian economy.	$40,900
1(a)	Swan Wooster Eng. Co. Ltd.	To provide engineering and design services of a floating drydock and mooring site for the Port of Vancouver, B.C.	$254,600
1(a)	Ms Verna Lamour	To advise the minister responsible and the co-ordinator of the Grains Group on matters dealing with the content, nature, scope and direction of the special prairie grain handling and transportation program.	$3,848

	Name of Firm	Services Rendered	Amount of Contract
1(a)	Mrs. Anne-Marie Turpin	To perform revisions and adaptations in the French language of minutes, letters, position papers, technical articles and similar materials pertaining to the Metric System.	$10,000
1(a)	Peat, Marwick & Partners	To assess implications of proposals received from potential purchasers of the de Havilland Aircraft of Canada, Canadair Ltd. and Douglas Aircraft of Canada Ltd. To place the Federal Government in a sound position to negotiate a viable rationalization of the aerospace industry and to assist in the negotiations.	$340,000
1(a)	Mr. Claude Montmarquette	To develop the methods and procedures for evaluating the amount and creation of human capital in the Canadian aerospace industry.	$4,850
1(a)	Mr. Claude Montmarquette	To assist in completing the development of a theoretical framework for the social opportunity cost of labour for the aircraft industry in Canada.	$10,625
1(a)	Prof. D. G. McFetridge	To provide assistance to the Program Evaluation Group of IT&C in an informational and functional role in the evaluation of research and development support programs.	$5,000
1(a) and (b)	Leonard & Partners	To develop a plan for long-term rationalization of the Metric Commission distribution system and to oversee the implementation of same.	$75,518
1(a) and (b)	Leonard & Partners	To assist in the implementation of a material distribution system for the Metric Commission.	$5,000
1(a) and (b)	Mr. Gordon R. Sherwood	To conduct a review of the Department's Incentive and Development Programmes to determine their relevance to various sectors of Canadian industry, their effectiveness and future usefulness and submit recommendations as appropriate, for modifications to improve the overall performance of the programs; also conduct a review of export assistance, of the Export Development Corporation activities in relation to the chartered banks and of private financing sources available for export credit.	$38,000
1(a) and (b)	R. & A. MacLaren Associates Ltd.	To act as consultant to the department on the development of government industry relations.	$158,000

INDUSTRY, TRADE AND COMMERCE—CONTRACTS FOR PROFESSIONAL SERVICES—CANADIAN GOVERNMENT OFFICE OF TOURISM

Question No. 292—**Mr. Orlikow:**

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Canadian Government Office of Tourism?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1 (a) and 2. See following list.

Name of Firm	Services Rendered	1975-76 Price
Laurentian Institute for Social & Economic Development Inc.	To study the effects of and steps necessary to implement a CANTRAV Interim Organization under the direction of Management Consulting Services.	$5,000
Laurentian Institute for Social & Economic Development Inc.	To develop an evaluation approach including success indicators and perform a complete evaluation of all marketing activities and expectations for fall marketing effort in a report form in connection with CANTRAV trial run.	$5,000
P. S. Ross and Partners	To provide assistance as a member of a Canadian Government Office of Tourism Task Force to review of relationship between the Travel Industry Development Programme (TIDP) objectives and national objectives, anticipated impact of TIDP, and appraisal of specific TIDP element vs. programme objectives.	$3,850.

Name of Firm	Services Rendered	1975-76 Price
Stevenson and Kellogg Ltd.	Working with the CGOT in carrying out financial simulation or evaluation of revenue projections and other financial data on Gull Harbour Resort project submitted to the CGOT for financial assistance.	$2,925
Stevenson and Kellogg Ltd.	To evaluate tourism resort complex at Mount Matheson, Sooke, B.C. to assist developer in obtaining private source financing to complete project in cooperation with B.C. Travel Department, Victoria, B.C.	$4,820
Stevenson and Kellogg Ltd.	To provide assistance as a member of a Canadian Government Office of Tourism Task Force to review of relationship between the Travel Industry Development Programme (TIDP) objectives and national objectives, anticipated impact of TIDP, and appraisal of specific TIDP element vs. programme objectives.	$6,175
Ernst & Ernst	Provide consulting services for purpose of preparing study of Potential Government Initiatives in Incentive Assistance for Tourism Operations and to focus on existing sources of financing and assistance programme rather than formulate new financial assistance mechanisms.	$22,175
Waterloo Research Institute	To produce a segmentation analysis of 1974 Canadian Vacation pattern study.	$1,500
Mr. Barry Malmsten	To assist in creation of initial data base of a Tourism information handling system, classification of documents and data, and classification of selected literature in the CGOT according to a given classification structure.	$2,800

1. (b) Nil.

3. There were no contracts let, in the fiscal year 1973/74 for these types of studies.

NATIONAL REVENUE—NUMBER OF RETIRED EMPLOYEES REHIRED

Question No. 586—**Mr. Lambert (Edmonton West):**

1. How many former senior members (SX 1 and up) of the Department of National Revenue for (a) Taxation (b) Customs and Excise were put on contract by the government on their retirement from the Public Service in (i) 1972 (ii) 1973 (iii) 1974 (iv) 1975?

2. In each case (a) what was his or her salary at the time of retirement (b) for how many years was he or she in the Public Service?

3. For each such contract, what was (a) its purpose (b) its duration (c) its amount (d) to whom was it paid?

4. How did the daily rate on contract compare with the daily rate on salary in each case?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Revenue as follows: 1. (a) (i) None; (ii) none; (iii) none; (iv) one. (b) None.

2. (a) Salary range $33,000-$42,000. (b) 27 years, five months.

3. (a) To prepare bulletins outlining the department's official interpretation of specific provisions of the Income Tax Act and Regulations. (b) Six months. (c) Contract maximum $14,625. Actually paid, $7,706.25. (d) C. N. Brennan.

4. Daily rate on contract, $112.50. Daily rate on salary, $147.13. All other departments and agencies have submitted "nil" replies to this question.

POST OFFICE—NUMBER OF RETIRED EMPLOYEES REHIRED

Question No. 626—**Mr. Dinsdale:**

1. How many former senior members of the Post Office Department were put on contract by the government on their retirement from the Public Service in (a) 1972 (b) 1973 (c) 1974 (d) 1975 and, in each case (i) what was his or her salary at the time of retirement (ii) for how many years was he or she in the Public Service?

2. For each such contract, what was (a) its purpose (b) its duration (c) its amount and to whom was it paid?

3. How did the daily rate on contract compare with the daily rate on salary in each case?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Post Office Department as follows: 1. (a) None. (b) One. (i) Salary range $27,500-$37,000. (ii) 45 years. (c) One. (i) Salary range $26,400-$33,000. (ii) 12½ years. (d) None.

2. (a) Consultation with the director of the National Postal Museum to facilitate the development of the museum and arrangements for the opening on September 27, 1974. Attendance at any scheduled inter-branch committee for the postal museum meetings with a view to providing support and advice to the director of the postal museum in reviewing proposed plans for the opening in September. Responsibility for the coordination, preparation and finalization of inter-branch implementation schedules with regard to the opening. (b) For

a period not exceeding ten days. (c) W. H. Wilson. Financial arrangements for services rendered consisted of a *per diem* rate of $100 plus travel and living expenses.

2. (a) To perform duties in the Olympic coin programme. (b) Three years. (c) A. J. Warwick. $27,000 per year.

3. (i) Daily rate on contract, $100. Daily rate on salary, $141.83. (ii) Equivalent. All other departments and agencies have submitted "nil" replies to this question.

PUBLIC WORKS—REHIRING OF RETIRED EMPLOYEES

Question No. 682—**Mr. McKinley:**

1. How many former senior members of the Department of Public Works were put on contract by the government on their retirement from the Public Service in (a) 1972 (b) 1973 (c) 1974 (d) 1975 and, in each case (i) what was his or her salary at the time of retirement (ii) for how many years was he or she in the Public Service?

2. For each such contract, what was (a) its purpose (b) its duration (c) its amount and to whom was it paid?

3. How did the daily rate on contract compare with the daily rate on salary in each case?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Public Works as follows: 1. (a) and (b) One. (i) $22,000-$28,000 (salary range) (ii) 26 years. (c) Nil. (d) Nil.

2. (a) Represented project manager, Come-by-Chance by inspecting materials purchased for that project through DSS from firms in England and Germany. (b) 16 months. (c) $14,124. (d) Mr. J. E. Bright.

3. Daily rate on salary at time of retirement $108. Daily rate under contract $125. All other departments and agencies have submitted "nil" replies to this question.

INDUSTRY, TRADE AND COMMERCE—QUOTAS ON TEXTILES

Question No. 902—**Mr. Herbert:**

1. Has the establishment of quotas for textile imports resulted in an effective control by foreign speculators of the type and price of garment available on the Canadian market?

2. Has the establishment of these quotas increased the competition in the product lines of the Canadian manufacturer?

3. Will future import restrictions by quota include reference to product type and price?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Under the Arrangement Regarding International Trade in Textiles, Canada maintained voluntary restraint arrangements with a number of major supplying countries to restrain the level of imports of certain textile products. Under these agreements, Canadian importers were free to purchase these textile products regardless of type or price from countries with whom Canada had restraint arrangements. On November 29, 1976, previous measures on clothing were replaced by global import quotas under GATT Article XIX which limited the quantity of imports of certain garments into Canada in 1977 to the level prevailing in 1975. Under this measure the Canadian government allocates import quotas to Canadian importers on the basis of their past import performance which enables these importers to source the type of garments for which they have quota entitlements at any price from all sources.

2. The introduction of import quotas is expected to stabilize the market in Canada and create an environment more conducive to the development of a competitive textile industry in Canada.

3. The application for import quotas requires that importers state only the type of product to be imported.

EXTERNAL AFFAIRS—FAMILY REUNIFICATION USSR

Question No. 986—**Mr. Howie:**

1. What efforts has the government made to reunite 300 families in Canada separated from family members in Russia?

2. If no progress is made in the near future, what alternatives are available to Canada?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): 1. Since 1971, when Prime Minister Trudeau raised the question with Premier Kosygin of the Soviet Union, the Canadian Government has made a series of representations to the Soviet authorities in Ottawa and in Moscow on behalf of families in Canada separated from family members in the Soviet Union. Canada played a leading role in the preparation of the text on reunification of families which was incorporated in the final act of the Conference on Security and Cooperation in Europe signed at Helsinki in August, 1975. Since then, representations to the Soviet government have been made at increasingly frequent intervals. Approaches were made by the Canadian ambassador in September and by the Secretary of State for External Affairs to the Soviet foreign minister, Mr. Gromyko, during his visit to Moscow in October. Since then the question has again been discussed with the Soviet foreign ministry and the Soviet ambassador.

2. During the past year, some progress has been made in reuniting families with close relatives from the Soviet Union. While the pace in resolving cases on which we have made representations is slow, the Soviet authorities have in fact increased this year the total number of exit permits issued to people emigrating to join families in Canada. It is to be hoped that this progress will continue at an accelerated rate. The question of family reunification will be discussed at the CSCE follow-up meeting in Belgrade in 1977 when progress in implementing the final act will be reviewed in detail.

AIR POLLUTION—NEW BRUNSWICK

Question No. 996—**Mr. Howie:**

1. Since January 1, 1974, has any money been expended by the government to alleviate air pollution in New Brunswick and, if so (a) what amount (b) to whom (c) for what purpose?

2. Since January 1, 1974, have any studies been undertaken of air pollution in New Brunswick and, if so, what are they?

3. Have any outside consultants been engaged to conduct any studies and, if so (a) who are they (b) what was the purpose of each (c) at what cost (d) have any written reports been received and, if so, are they available to the public?

Order Paper Questions

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. The government has agreed to contribute $1 million through the Programme for the Development and Demonstration of Pollution Abatement Technology (DPAT) to St. Anne Nackawic Pulp and Paper Co. Ltd., to reduce air pollution problems from their Nackawic Mill.

2. Since January 1, 1974, many air pollution studies have been undertaken in New Brunswick. A list of these studies is appended.

3. Acres Consulting Services Ltd., has been engaged to conduct an air pollution study of emissions from the heating plant at CFB Gagetown, New Brunswick. Cost of the study was $25,000. Information collected is available to the public on request.

Air Pollution Studies Involving Environment Canada in New Brunswick since January 1, 1974; 1. Saint John Region Air Quality Study: This study was designed to follow up on the recommendations of the Lorneville Impact Study which assessed the effects upon air quality of the Coleson Cove Generating Station. It involves a monitoring network of six air quality stations and a program of computer modelling of atmospheric dispersion. It is hoped that the end result will be an aid to regional use planning and to the provincial air pollution control agencies. This study is being carried out in conjunction with Environment New Brunswick. 2. Air Pollution Assessment of Heating Plant at CFB Gagetown: Complaints have been received about emissions from this heating plant and a study is being carried out by a consultant under our supervision. 3. Air Pollution Study of Proposed Expanded N.B.E.P.C. Generating Station at Dalhousie, New Brunswick: This study was carried out at the request of the provincial department of the environment. Its purpose was to estimate ground level concentrations resulting from the proposed expansion of this generating station. The results were forwarded to the provincial department of the environment. The study involved computer modelling of dispersion from the stacks of the station. 4. Air Pollution Study in the Vicinity of the Lead Smelter at Belledune, N.B.: This study, also carried out at the request of the provincial government, involved computer modelling of dispersion of lead and particulates from the smelter. Much effort went into determining the emission rates at the smelter. At the present time the provincial government is carrying out an ambient air survey in the vicinity of Belledune, and the department is assisting them in the analysis of the samples that they are gathering. 5. Abatement Program, CIL Dalhousie Chlor-Alkali: This is not a study as such but is a program designed to ensure that the company is in compliance with the federal mercury emission limits to the air whose effect date is mid 1978. The department's activities there include inspections of the plant and meetings with plant personnel. 6. Lead-Free Gasoline Sampling: The department has an on-going program of sampling of lead-free gasoline in the Province of New Brunswick to ensure that federal regulations are met. The purpose of the regulation is to reduce emissions of lead from automobiles. 7. Leaded Gasoline Regulations: The department takes quarterly samples from all refineries in New Brunswick to ensure that the leaded gasoline also meets the federal standards for leaded gasoline. Quarterly reports of lead usage are also compiled from the refineries. This is also intended to reduce emissions of lead to the atmosphere. 8. Evaluation, Inspection and Approval of DREE Funded Projects: This is an on-going activity whereby our department in co-operation with the New Brunswick Department of the Environment assesses the pollution aspects of DREE funded projects to ensure that they are not a cause of pollution. Funds are withheld until both federal and provincial agencies are satisfied. This aspect of the work involves much travel, inspection of installations, assessment of plans, etc. This activity is intended to prevent pollution from new sources. 9. EPS/AES Sulphate Monitoring Study—Eastern Canada: The purpose of this study which is just getting underway is to assess the importance of pollutants, primarily sulphates, heavy metals and nutrients, that may be transported over long distances, say from the Eastern Seaboard of the United States, and deposited here in the Maritimes. Some intensive monitoring was undertaken in August 1976 and it will be resumed by Environment Canada for a two year period beginning April 1, 1977.

There are other programs within DOE that are not specific to New Brunswick but which nevertheless are intended to alleviate air pollution there. These are as follows: 1. Development of Federal Air Emission Air Guidelines: Guidelines have been developped for the cement, asphalt and coke oven industries and others are being developed for the petroleum refining, pulp and paper ferrous foundries, non-ferrous foundries and iron and steel industries. These guidelines are available to the provincial air pollution agencies, including N.B. which they may adopt as regulations as they see fit. 2. Training of Provincial Personnel: DOE holds several courses a year in which provincial air pollution personnel are trained in the technology. 3. Training Operators of Federal Boilers and Incinerators with Respect to Air Pollution Control: The department intends to start this program this year in order to reduce air pollution from these installations. Training of operators in New Brunswick will be included.

HEALTH AND WELFARE—STUDY OF "GIARDIASIS"

Question No. 1,253—**Mr. Jones:**

Is the Department of National Health and Welfare studying the disease "giardiasis" in Canada and (a) if so, what are the names of those engaged in combatting the problem (b) if not, is any group or organization in Canada studying the disease?

Hon. Marc Lalonde (Minister of National Health and Welfare): (a) Yes. Investigations have been carried out in rural and urban areas, in Indian and Inuit communities and on Canadians returning from certain countries where giardiasis is known to be endemic. The following is a list of recent reports published by the Department of National Health and Welfare on giardiasis: 1. Canada Diseases Weekly Report Vol 2-34, 1976; 2. Canada Diseases Weekly Report Vol 2-32, 1976; 3. Canada Diseases Weekly Report Vol 2-25, 1976; 4. Epidemiological Bulletin No. 19(5), 1975; 5. Epidemiological Bulletin

No. 13(10), 1974. Departmental employees involved in these studies include: R. D. P. Eaton—Medical Services Branch, F. M. M. White—Health Protection Branch. (b) Other organizations studying the disease include:—1. National Reference Centre for Parasitology, Institute of Parasitology, McGill University, supported by a grant from Health and Welfare Canada. 2. University Clinic for Tropical and Parasitic Diseases, Toronto General Hospital.

POST OFFICE—STUDIES UNDERTAKEN BY MANAGEMENT CONSULTANTS

Question No. 1,301—**Mr. Dinsdale:**

1. Did the Postmaster General state in his remarks to the Third Postal Users' Conference on November 2, 1976 that some fifteen studies were made by management consultants and, if so, in the case of each such study (a) what was its (i) title (ii) date (iii) purpose (iv) estimated cost (v) actual cost (vi) security classification, if any (b) by whom was it made (c) who were the recipients (d) are copies available (e) on what date were the answers to the questions prepared?

2. Are other studies by management consultants contemplated during the next two years and, if so (a) on what aspects of the Post Office operations (b) what will be the purpose of each study?

Hon. J.-J. Blais (Postmaster General): 1. Yes. (a-i) See following statement (a-ii) November, 1968 to July, 1969 (a-iii) To examine and report on the effectiveness of virtually all aspects of postal operations. (a-iv) Unknown (a-v) See following statement (a-vi) With the exception of the three studies which have been tabled (Environmental Forecast Study, Blueprint for change, and a Canadian Public Address Postal Coding System) these studies are considered as internal working documents and therefore of a confidential nature. (b) See following statement (c) As stated in (a-vi) (d) Copies are available of those studies which were tabled, as they were distributed to a number of libraries. (e) The government takes responsibility for the answers it provides to questions and for the process involved in replying to such questions. It is not appropriate therefore to provide information about internal administrative arrangements.

2. At this time the department is not planning any studies of postal operations by management consultants.

	Management Consultant Studies	Actual Cost	Consulting Firm
1	Organization		
2	Environmental Forecast		
3	Management Practices		
4	Management Inventory	$258,627	Kates, Peat, Marwick & Co.
5	Management Information System		
6	Summary Report (Blueprint for Change)		
7	Marketing	43,938	Dr. Stanley J. Shapiro
8	Manpower, Planning, Development and Staffing Staff Relations Classification, Compensation and Benefits Other Studies	81,765	Hickling Johnston Ltd.
9	Transportation	$101,480	Samson, Belair, Riddell, Stead, Inc.
10	Facilities Planning	25,000	Kates, Peat, Marwick & Co.
11	Productivity	50,498	Price Waterhouse Associates
12	Facilities Design Facilities Forecasting Economic Utilization of Facilities Space and Equipment Optimization	35,051	Price Waterhouse Associates
13	Presorting Mail Sortation and Distribution		Price Waterhouse Associates
14	E.D.P. Facilities	23,096	D.C.F. Systems Ltd.
15	Public Address Postal Coding Study	63,432	Samson, Belair, Riddell, Stead, Inc.

REFUGEES IN THAILAND

Question No. 1,319—**Mr. Epp:**

1. What is the estimated number of refugees from (a) Laos (b) Cambodia (c) Vietnam, presently in refugee camps in Thailand?

2. Have these people been declared refugees by the United Nations High Commissioner on Refugee Matters and, if not (a) for what reason (b) what is their present status?

3. What steps has the international community taken to relocate such persons?

Hon. Jack Cullen (Minister of Manpower and Immigration): 1. (a) 63,766; (b) 10,699; (c) 2,688.

2. No. (a) The United Nations High Commissioner for Refugees considers most of them displaced persons rather than refugees. (b) They have no status.

3. The first priority of the United Nations High Commissioner for Refugees has been to secure the voluntary repatriation of these "displaced and uprooted" persons. When that has not been possible, local resettlement has been preferred over migration to a nation where living conditions are not similar to those in their country of origin. Nevertheless both France and the United States have been accepting significant numbers of displaced persons from Thailand.

PURCHASE OF LEARSTAR JET

Question No. 1,357—**Mr. McKenzie:**

1. What are the names and addresses of firms that made deposits with Canadair for the purchase of a LearStar jet and what was the deposit?

2. What are the names of the Canadian chartered banks that loaned money to Canadair for the LearStar 600 Programme?

3. On what date will the first LearStar be completed for testing?

4. What are the terms of purchase for the LearStar and, if it is not airworthy, will Canadair refund the deposits?

Order Paper Questions

5. How many LearStar jets is the Federal Express Company of New York purchasing and what is the amount of their deposit?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: 1. As at December 14, 1976 58 orders with deposits had been received from 31 firms by Canadair for the purchase of LearStar jets. The amount of the standard initial deposit was 5 per cent of the value of the order, payable when the contract was signed. In the interest of commercial confidentiality the names of the purchasers are not being disclosed.

2. No bank has yet advanced funds for the LearStar project. Negotiations are taking place with two chartered banks.

3. The first LearStar flight is scheduled for February, 1978. Certification is scheduled for April 1979.

4. Business purchasers have paid a 5 per cent deposit on contract signing. They will pay a further 20 per cent 12 months before scheduled delivery and the balance of 75 per cent on delivery of the aircraft. Contracts may be terminated if Canadair fails to deliver the aircraft within 12 months of the scheduled delivery date. In this event Canadair is obliged to return the buyer's deposit.

5. Federal Express has ordered 25 LearStar aircraft and has signed an option for a further 25. The amount of deposit paid by Federal Express is commercial confidential.

RELOCATION OF ENERGY, MINES AND RESOURCES DIVISION

Question No. 1,368—**Mr. Jones:**

1. Was there an announcement made in the spring of 1976 stating that the Surveys and Mapping Division of the Department of Energy, Mines and Resources would be moving to Fredericton, New Brunswick and, if so (a) for what reason is there still a degree of confusion as to whether or not this section will actually relocate (b) for what reason does the Minister's office maintain that the matter of relocation is still undecided?

2. Is the Division now scheduled to move to Moncton?

Hon. Robert K. Andras (President of Treasury Board): 1. No.

2. No.

RAPESEED PRODUCTS

Question No. 1,516—**Mr. Hnatyshyn:**

1. Is Canada a net (a) importer of rapeseed products (b) exporter of raw rapeseed?

2. Does domestic crushing and refining add approximately three dollars per bushel to the value of raw rapeseed?

3. What steps is the government prepared to take to make Canada a net exporter of rapeseed products?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. (a) Canada is a net exporter of rapeseed products. From January 1 to November 30, 1976 Canada has exported 41,387 metric tons of rapeseed oil and 33,325 metric tons of rapeseed meal. There have been no imports of either product. (b) Exports of raw rapeseed from January 1, to November 30, 1976 were 668,404 metric tons, imports were "nil".

2. The domestic crushing and refining of rapeseed adds approximately $3 to the value of a bushel of rapeseed.

3. Even though Canada is a net exporter of rapeseed and products, the government encourages the industry to seek new markets and expand existing markets by means of both incoming and outgoing technical and trade missions, technical seminars, research programmes, meal and oil trials, and works in close conjunction with the rapeseed Association of Canada on these projects.

DEPARTMENT OF VETERANS AFFAIRS—ESTIMATED EMPLOYMENT FOLLOWING RELOCATION TO CHARLOTTETOWN, P.E.I.

Question No. 1,606—**Mr. Herbert:**

What is the estimated employment in the Veterans Affairs Headquarters in Charlottetown, Prince Edward Island as at 1980-81, by groups, and how many of the positions are to be designated (a) unilingual English (b) bilingual (c) unilingual French?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Since the analysis of the implications of the relocation on departmental personnel is not completed, we are not in a position to answer this question at this time.

[*English*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO SOLVE PROBLEMS OF FEDERAL, PROVINCIAL AND MUNICIPAL DEBT

Mr. Adrien Lambert (Bellechasse) moved:

That this House notes with distress the prodigious increase in the federal, provincial and municipal debt, which will result in the shattering of our country; and

That this House further regrets the fact that the Government has failed to advance any new formula for the financing of the public sector to correct this situation, for instance an amendment to the Bank of Canada Act allowing it to use the credit of the nation as currency in order to make long-term loans to the federal and provincial governments at an interest rate equivalent to administrative costs rather than the present six-month limit and to relieve the burden imposed on Canadians to repay up to five times the amount of the loans made to the various levels of government by banking institutions under the present system.

Mr. Speaker, it may be by a combination of circumstances that I can hardly understand, but very often on an opposition day allotted to the Social Credit Party of Canada, it is felt

necessary to rise on all kinds of questions of privilege, each more important than the other. I hope this is not done on purpose in order to shorten the time allotted to the motion before us today, but if it was deemed important to rise on the first question of privilege relating to the failure of the government to introduce a piece of legislation on banking, a review of or amendments to bank charters, I cannot but think that suddenly it is realized that some problems are really important and come to mind after someone else has laid them on paper.

Mr. Speaker, as years go by, problems seem to recur from generation to generation. After some years spent in parliament, our legislative responsibilities towards the Canadian people seem heavier and this has prompted me to consider in my remarks the merits of the so-called allotted days provided in the Standing Orders, days which may seem at times to be of minor interest. Still the members of the Social Credit Party of Canada believe that those days are quite important in the development of a democratic parliamentary system in Canada.

This is why each time we move a motion on an allotted day we always endeavour to tackle an issue of prime importance for the country, to draw the attention of the government on oversights or still to make constructive suggestions and exhort it to draft legislation aimed at improving our present systems in the financial, economic or social fields.

All those are problems that affect the whole population, and that is why we consider that those opposition days are very precious and ought to be used in such a way that they be profitable to the whole population, and that by the end of the day we could at least have made the cabinet aware of those problems. And then they could in turn during the next few months bring remedies to the problems we have detailed before parliament, to improve our fellow citizens' economic circumstances and thus make it possible for various federal, provincial and municipal administrations to better meet the needs of people under their jurisdiction. Therefore it is the exclusive privilege of the various opposition parties to choose the subject matter which will be debated in the House on those allotted days.

● (1530)

For many years, parliament was made up solely of members of the party in power and members of the opposition party: the old parties. Therefore it was then relatively easy for the opposition to have an understanding with the government on the distribution of allotted days for the Business of Supply as well as on the subject matter to be considered on such days. It was more or less a time for relaxation, for temporarily putting aside consideration of bills and for voicing some criticisms that the opposition deemed advisable to make. However, as time went on and in view of the behaviour of the old parties, Liberal and Progressive Conservative, who were as thick as thieves, some people lost confidence in them; this is how third parties were born.

That is why the people decided to elect officers who could convey ideas to parliament which in their view had value. As the result of the presence of third parties in the House traditions as well as the old party behaviour did change somewhat. Parliament had to amend the allotted days, which are called opposition days. Needless to say, there has been a drastic change in allotted days since third parties came into being. One only has to refer to past years to realize that the allegation I just made is true and that the so-called official opposition must necessarily agree with the third parties by allocating the opposition days according to the number of seats held by the opposition parties in the parliament.

It is because of the events and circumstances I just enumerated that the Social Credit Party of Canada had the privilege of choosing the subject matter of today's motion which reads very clearly as follows:

—That this House notes with distress the prodigious increase in the federal, provincial and municipal debt, which will result in the shattering of our country;

What does that mean? Why do we say it will result in the shattering of our country? Because, Mr. Speaker, the federal and provincial governments hold conferences. To my knowledge, there have been 32 federal-provincial conferences in which I am interested as a Canadian, where they have discussed to know whether Ottawa will abandon some revenue sources to the benefit of the provinces and where the provinces have expressed their needs to Ottawa to get the required funds to meet their obligations. And the motion goes on:

That this House further regrets the fact that the Government has failed to advance any new formula for the financing of the public sector to correct this situation, for instance an amendment to the Bank of Canada Act allowing it to use the credit of the nation as currency in order to make long-term loans to the federal and provincial governments at an interest rate equivalent to administrative costs rather than the present six-month limit and to relieve the burden imposed on Canadians to repay up to five times—

—in interest—

—the amount of the loans made to the various levels of government by banking institutions under the present system.

Now, Mr. Speaker, in addition to being constructive criticism, the motion I am now sponsoring does make some practical suggestions and urges the government to bring forward amendments to an act which has been in force for almost 42 years, i.e. since March 11, 1935. Obviously, I will not have time to go over the whole debate that took place in the House of Commons when that act was passed. The debate started with a resolution presented on February 22, 1934, by the then minister of finance, Mr. Rose, who at that time told parliament that he would have to follow up with a bill to create a central bank in Canada. The then leader of the opposition, Mr. Mackenzie King—everybody knows at least his name—stated on February 22, 1934, as reported at pages 830 and 831 of *Hansard*, and I quote:

Liberalism believes that credit is a public matter, not of interest to bankers only, but of direct concern to the average citizen. It stands for the immediate establishment of a properly constituted national central bank, to perform the functions of rediscount, and the control of currency issue, considered in terms of public need.

I repeat: . . . "considered in terms of public needs".

. . . A central bank is necessary to determine the supply of currency in relation to the domestic, social and industrial requirements of the Canadian people; and also to deal with the problems of international commerce and exchange.

That is precisely what we have been saying for years, but after 42 years, as intelligent people should be able to, it is time to make changes. The Bank of Canada fulfilled a tremendous task; the legislators of that time made no mistake when they decided to have that act passed by Parliament, but time has come to adapt its possibilities, its functions to modern needs, to the needs of today, because the act, as passed in 1934 under a Progressive Conservative government, says many things.

We say the same today, it is still true. The preamble of the act reads as follows:

WHEREAS it is desirable to establish a central bank in Canada to regulate credit and currency in the best interests of the economic life of the nation, to control and protect the external value of the national monetary unit and to mitigate by its influence fluctuations in the general level of production, trade, prices and employment, so far as may be possible within the scope of monetary action, and generally to promote the economic and financial welfare of the Dominion.

In those days, this country was still known as a dominion; but today, it is possible—I feel we would be justified in doing so—to write: to promote the economic and financial welfare of our country, Canada. That is what the motion requests: that the government go further, that it complete what the legislators of times gone envisaged; that is why we suggest that section 18(1)(i) be changed as suggested in the motion, because that section now reads as follows:

● (1540)

The Bank of Canada may

(i) make loans or advances for periods not exceeding six months to the Government of Canada or the government of any province on the pledge or hypothecation of readily marketable securities issued or guaranteed by Canada or any province;

(j) make loans to the Government of Canada or the government of any province, but such loans outstanding at any one time shall not, in the case of the Government of Canada, exceed one-third of the estimated revenue of such government for its fiscal year, and shall not in the case of any provincial government exceed one-fourth of such government's estimated revenue for its fiscal year; and such loans shall be repaid before the end of the first quarter after the end of the fiscal year of such government;

Mr. Speaker, this might have made sense at that time but in 1977 can you imagine a government which has to borrow let us say $150 million in order to close its financial year on March 31, being obliged to repay those $150 million sometime in June? How is it going to help? Well it will help temporarily but it will not solve the problem. For this reason we are suggesting that long term loans be granted by the Central Bank for the financing of the public sector in an orderly, intelligent way. Thus, people would have time to breathe before having to pay back, they could achieve something but at an interest rate just to cover operating, administrative and personnel expenses, in short all that is required in a well organized office, whereas today the government has only two ways of raising revenues to administer the country, like any provincial government: taxes and borrowings.

Some taxpayers are lending money to the government through savings, but the bulk of the loans are made to the federal government or the provinces by banking institutions under the present system, at very high interest rates, and those high interest rates paid by the government have some impact on the private sector which must necessarily compete with the Federal government. In the end it creates inflation and the national debt is increasing at an alarming rate.

The same is true of provincial governments. Just to mention a few examples in support of my arguments, I shall draw your attention to the fact that our national debt which amounted to $30 billion in 1967 has increased to $57 billion in 1974. Over a seven year period, the national debt has increased by more than $25 billion. Was the federal government the only one faced with such an increase? No, according to the answer given by the then minister of finance (Mr. Turner) in the House, as recorded in *Hansard* on May 13, 1975, page 5737, where it is said that generally speaking the provincial debt has almost doubled.

For example, it is the case of Newfoundland where the debt has more than doubled, within six years, going from $584,000,000 in 1967 to $1,222,000,000 in 1973.

The province of Ontario, for example, which is considered a rich province, with the best administration in Canada, had in 1967, a gross debt of $5,561,000,000. Six years later it went up to $10,817,000,000 and is still rising. This debt pyramid within the present system inevitably brings about increased taxation, and taxes. This in turn fans inflation, which results in unemployment and unemployment, as an hon. member put it today to the Minister of Manpower and Immigration (Mr. Cullen) spells poverty. But at any rate, those were his words, not mine but I think that the way he put it was not that stupid.

What happens, Mr. Speaker, is this: the government is under an obligation to provide financial aid to the private sector which is crushed under a burden of interest to pay. One only has to look in the newspapers to see why there has been such a number of bankruptcies this year and yet in certain cases, the governments had given the industries substantial subsidies to help them set up businesses which would create jobs for workers.

I have only to quote as an example, Mr. Speaker, the case of Thetford Mines, in Quebec a riding which is represented by a member from the party of the majority, but not the party in power, because they have not got the power, as the power lays outside the House in the hands of money men who do not waste their time standing for parliament, as there is not much money to be made there. They look after their own interests but they they have servants inside the House, within Parliament. We have evidence of that. In any case, Mr. Speaker, in Thetford Mines the province of Quebec is buying back Bellevue products, a firm which went bankrupt.

Mr. Fortin: This was financed by Ottawa.

Mr. Lambert (Bellechasse): That company had received millions of dollars in subsidies from the federal government but then suddenly business went shaky.

And, in order to protect the livelihood of the 500 workers employed by this company, the government of Quebec decided that it would also subsidize this business, in order to keep it going.

In March 1975, the government took action to save this company from bankruptcy, by allowing the Industrial Development Corporation to guarantee the reimbursement of the operating deficit, to the tune of $2.5 million, up to August 31, 1975.

But that is not all! Far from it. I quote further:

This guarantee was to be extended later on to August 1976, but it has not been renewed since because the Industrial Development Corporation considered that its mediation in this case amounted to unfair competition towards the other trailer manufacturers.

This government decision to save the Bellevue plant from bankruptcy could be taken amiss by the other trailer manufacturers.

● (1550)

Mr. Speaker, I did not quote that to criticize a government for trying to save a business in Quebec, far from it. I only meant to show that our financial system in the public sector is destroying our small businesses. In spite of all our good intentions, it is impossible. We cannot make it. Mr. Speaker, I am tempted to quote something else which is extremely important. It concerns a recent loan from the government of Canada to the province of Quebec.

The federal government, through one of our Crown corporations, has just lent the government of Quebec, for the construction of 40 housing units, the sum of $966,960 at a compound interest of 10 per cent to be computed semi-annually. This represents 90 per cent of the value of the building, but not the furniture and future maintenance costs of the building. And the government of Quebec, the new one that talks about independence, has agreed to sign an agreement forcing Quebec taxpayers to pay back to the federal government $95,467 a year over a period of 50 years, which comes out to 4.93 times the amount of the loan. Are you going to tell me that this is reasonable, that this system should not be changed drastically so that governments can work together rather than against each other?

An hon. Member: This is bad federalism.

Mr. Lambert (Bellechasse): I consider that when the federal government grants a loan to a provincial government, it is to enable that provincial government to provide services to the people, and neither the federal government, nor a provincial government with regard to a municipality, has any right to grant loans to make a profit. Responsible governments should not exist to make a profit, but to provide services to the people.

We should let private enterprise make loans to the same type of businesses for a profit; which is quite normal since there is room for competition in the private sector. But none of this should exist in the public sector, where it would damage the good relationship which must prevail in a federated Canada as we know it now. I believe that it is the duty of legislators to make the public aware of such transactions or loans, because they could create a debt for future generations who are not at all responsible for today's situation. Mr. Speaker, our remarks are more than just negative criticism. We have said so time and time again in the House, and we repeat it in the motion.

I am trying to explain it with my modest means to urge the government to set up a special committee of the House to make an in-depth study of that whole policy now in use in order that we may together bring in amendments to that Bank of Canada Act so it will be in a better position to serve not only the federal government but the provinces and, through the provinces, the municipalities.

How many members are now witnessing that certain municipalities incur expenditures for the construction of water and sewer facilities which are beyond the capacity to pay of local ratepayers, and those people have to bleed themselves white. The value of their property goes down because they have to pay nearly five times in interest the value of those facilities. That is what is bad. That is what Parliament must react against. And Parliament is the only authority in this country capable of setting things straight, ensuring justice in order to have a more just society, and it must act rapidly, efficiently and in a very orderly fashion.

Well, Mr. Speaker, I do hope that in the course of this day hon. members who will participate in this debate will follow my advice—you do not have to share my opinions but you have the duty to examine them, you have the duty to suggest better ones, if possible, and we will support them wholeheartedly. But what are we looking for? We are trying to improve the situation, and today's problem is one of dollars for the government of Ontario, the federal government, Quebec as well as all other provinces. It is a problem of revenue to meet our obligations.

Considering all the facts I just set forth with the best intentions in the world I do hope I will receive the very generous support of hon. members so we may all together convince the government to introduce the legislation we want to ensure proper finance in this country. We must see that the authority of this Parliament is the real authority and that high finance just like our children in school complies with the legislation of this country whereas today it is governments that are submitted to the whims of high finance.

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, many times has the Social Credit Party of Canada proposed similar amendments to our banking legislation. Indeed the hon. member for Bellechasse (Mr. Lambert) will remember that he introduced a private bill on November 5, 1976 which was almost along the same lines as the motion he proposed to the House today. He also made similar proposals on October 22, 1974, on March 18, 1969 and on March 15, 1967.

Of course the government has considered the Social Credit proposals because at first glance they do seem to offer valid arguments likely to convince people they should readily and easily endorse that philosophy without seeing the consequences. That is why many times the government gave a clear and precise answer to arguments by raising counterproposals which must be weighed when they propose such sudden change in our monetary policies.

My first argument is of course that if the proposition were accepted, it would automatically fuel inflation, not only by the federal government but more particularly by the provincial and municipal governments. Why? Of course, when you can borrow money without interest, you are inclined to borrow more often, and fairly easily, without taking the consequences into account. Thus this could lead to a rapid increase in spending in the public sector. At the present time many Canadians have adopted the opposite thesis. They say that the public sector, either federal, provincial or local, accounts for a vast amount of Canadian outlays and that government expenditures should be limited. When you propose loans with nearly no interest, you invite the governments to make almost unlimited spending for a certain number of years at least.

Of course, the law allows the Bank of Canada to meet some of my hon. colleague's aspirations. Pursuant to sub-paragraphs 18(1)i) and 18(1)j), it does not allow to lend funds to the provinces or to the federal government. But, pursuant to sub-paragraph 18(1)c), the law allows the Bank of Canada to buy federal and provincial government bonds. Up to now, the Bank of Canada has bought only Canada saving bonds. Why? First because it has always felt, and rightly so, and the government has always adopted the same views, that it would amount to interfering in the finances of the provinces and, in some ways, it would have conflicts of interest in applying a responsible monetary policy.

In fact, if it were so allowed, the Bank of Canada would automatically be compelled to buy provincial governments bonds, it would be compelled to choose and, thus, to discriminate. The bank should have to study the financial situation of each province and territory to check whether the bonds were regularly issued, whether the interest rate is valid and if it should consider buying such bonds. The rates vary necessarily according to the provinces.

The provincial capacity for payments and redemptions varies too. In order to manage its portfolio in a responsible way, the bank should definitely not act according to the established percentages but should be very freely on the market, according to the economic situation. But this would be putting the bank in a particularly delicate situation on the political field, I should say, because I suggest that the Bank of Canada should keep a certain leeway and a certain kind of freedom as far as the monetary policy of Canada is concerned.

● (1600)

A second point about the conflict of interest that would face the Bank of Canada. When we went through a period of monetary restraint and were faced with economic problems, the Bank of Canada might decide to sell some provincial or municipal bonds it was holding. The Bank of Canada would once again be in a conflict of interest situation because it would be in the position of having to take a decision of a generally political nature, namely which bonds should be put back on the market to restore some balance in the sound management of the monetary policy.

[Mr. Goyer.]

Well, what about federal bonds? The Bank of Canada buys Canada savings bonds. Is that not a conflict of interest situation? Is it not faced with a decision of an almost political nature in its policy of buying Canada savings bonds? In my view, that point cannot be made as far as the federal government is concerned. Anyway, the circumstances are not the same as in the case of provincial and municipal bonds. Because it is generally recognized that the federal government is responsible for Canada's monetary policy. Then government must cooperate with the Bank of Canada and ensure that the economy is managed in a responsible way.

Moreover, the provinces and the municipalities keep saying right and left that the federal government is responsible for Canada's economic stability. If this is true, and I believe it is, it means that the government must have the means to develop policies with the Bank of Canada and, of course, the monetary policy must go hand in hand with the fiscal policy drawn up by the government. This means that although the Bank of Canada may be in somewhat of a conflict of interest situation, although it would be facing choices of a very political nature as far as the provinces are concerned, that point cannot be made in relation to the Canadian government.

Mr. Speaker, there is a third point I should like to make to my collleagues in order to disprove their argument. To allow the Bank of Canada to make loans to the provinces without interest or with an interest that only covers the administration costs would be an indirect transfer of funds from the federal government to the provincial government, since the Bank of Canada is an instrument of the central government. Over the years, we have already accepted many fiscal and payment transfers to the provinces. We have already responded in a responsible way to the legitimate aspirations of the provinces which were asking for more funds to meet some of their obligations.

The great majority of payment transfers by the federal government to provincial governments have no string attached, which means the provinces are free to spend those moneys as they choose, without any obligation. However, it is true that some of the payments are made in keeping with federal-provincial agreements, so that the money must be used for very specific purposes but on the whole the money is transferred to the provinces without lien.

And what does the transfer of payments from the federal government to the provinces amount to? More than a fifth of the federal budget, more than a fifth of the taxes which are levied by the federal government is transferred automatically each year to the provinces. This needs to be emphasized, Mr. Speaker. The provinces do not have to levy taxes, they do not have to assume the often odious role of explaining to the people that they must levy taxes in order to get the money they need for their budgets. A fifth of the federal government's funds, a fifth of last year's $42 billion budget was transferred to the provinces, and even more, since some federal expenses go directly to aid the provincial and municipal governments.

• (1610)

Well, I think that the federal government is being very generous when it levies taxes on Canadians and transfers one fifth of the funds so generated to the provinces and, the same thing may be said about the provinces, when they give money to municipal governments to meet their needs. I think that all of us in this House, whether we are members of the opposition or of the majority parties, when we account for our budget and try to justify our expenses to the people, when we speak as members of the federal Parliament, we should stress the fact that a fifth of the taxes is actually levied on behalf of the provincial governments who do not have to assume the unpopular role of "saddling people with taxes."

Mr. Speaker, the hon. member for Bellechasse (Mr. Lambert) referred to the federal public debt. He mentioned figures which look astonishing at first sight when we consider the growth of the Canadian public debt but I think such figures need explanations and should be placed in a general context. It is evident that the debt and the revenues are increasing, that government assets are growing and that the national gross product which represents goods and services produced in Canada is also expanding from year to years. But what does this growth mean, Mr. Speaker? I notice that I have caught the attention of the hon. member for Bellechasse (Mr. Lambert). I believe it is important since he is the one who introduced the motion. But there are others who would like to rise and I presume they will have the opportunity to do so later on.

The gross national debt—the public debt as we call it—which is made up of the remaining non expired debt, that is outstanding federal bonds plus other debts which appear in the public accounts of Canada to pay employee pension funds for instance, is paid through the consolidated revenue fund. What was this debt in 1952? In 1952 it stood at $17 billion—$17.257 billion to be exact—and in 1976 it amounted to $71.750 billion.

Mr. Speaker, what were the registered net assets of the federal government in 1952? They stood at $6,072 millions, and in 1976 at $48,454 millions. What does it mean? This means that the net debt was $11,185 millions in 1952, and $23,296 millions in 1976. What does it represent?

Now, Mr. Speaker, let us talk about the net debt as a percentage of the gross national product, that is the growth in Canada in terms of production of goods and services in our country.

In 1952, the net debt in regard to the gross national product amounted to 51 per cent. In 1976, this proportion has dropped to 14.5 per cent. This means that when we compare the gross national product, that is everything produced in Canada over a year, to the federal government's debt, we find that the figure reached 50 per cent in 1952 and has been now sharply reduced to 14 per cent. That is an important point to remember. This must necessarily be considered in the general context of Canadian economy; we should not be afraid of those figures, but rather consider the percentages they stand for.

From 1965 to 1976, the debt increased at a compound rate of 7 per cent where as within the same period, from 1965 to 1976, the NGP jumped from $61 billion to $190 billion, namely at a compound rate of 12 per cent. This means that our wealth increased faster than our debt, that we now have more assets than debts in Canada, and therefore that we are in a better financial position.

To conclude, Mr. Speaker, I would like to emphasize that whenever the federal government borrows money, it borrows it on the Canadian market not on the American or foreign markets. We borrow through Canada Savings Bonds which are issued here, which means all our loans are Canadian loans and the majority of the payments on our loans, namely the interests, find their way back to the Canadian people. Historically, Canadians have always considered it a good thing to have Canada Savings Bonds in their wallets, in their safety boxes, because they are safe investments. And the hon. member for Bellechasse is perfectly aware of this, because he comes from the province of Quebec. Does anyone get nervous about Canada Savings Bonds? Not at all. Are there people who get nervous about the savings bonds issued by provincial governments? Yes, there are.

I could also take this opportunity to say something about the management of our monetary policy and the guidelines upon which are based the decisions and action of the Bank of Canada. Some 15 months ago, the Governor of the Bank of Canada, Mr. Bouey, publicly stated for the first time the approximate limits within which the federal bank was trying to maintain the growth rate of monetary supply. Mr. Bouey had then added that the bracket aimed at should be progressively lowered during the years to come, so that our monetary policy could remain consistent with the national aim of a gradual reduction of the inflation rate, which is still a government priority, because as the hon. member knows, small wage-earners and small depositors as well as those who are defenceless when it comes to big unions or big companies are affected by those things.

Mr. Bouey indicated that the bank then wanted to maintain the annual growth of money and deposits computed at the medium rate of that aggregate for the three-month period ending on June 1975 or at a 10 per cent rate. Last fall, the bank announced that the minimum targets for the growth rate of money supply had been set at 8 and 12 per cent annually, such a rate to be calculated on the average level of a three-month period centered on March 1976. This announcement by the Bank of Canada about the reduction in the growth rate trend of the money supply was met with positive reactions. It was favourably received. Last summer, the growth rate trend of the money supply and demand deposits remained close to the lower level of the 8 to 12 per cent annual range aimed at by the Bank of Canada.

Accordingly, the Governor of the Bank of Canada announced on November 19, 1976, a reduction in the prime rate from 9½ to 9 per cent. Mr. Bouey stated, and I quote:

This reduction in the prime rate is justified by the fact that Canada has been able in the last few months to control inflation better and to slow down the rate of monetary expansion.

● (1620)

[*English*]

Similar considerations led to the further reduction in the bank rate from 9 per cent to 8½ per cent effective December 22, 1976, and to the most recent reduction from 8½ per cent to 8 per cent effective February 1, 1977. These rate changes have led to a general easing of interest rates to businesses and consumers in Canada which will be an important support to steady economic growth in this country. These improvements in the financial environment are strong evidence to all Canadians of the benefits of a national program of restraint.

What these developments indicate is that the concerted action of the government in the fight against inflation continues to bear fruit. The actions of the Bank of Canada carry the full support of the government.

Some hon. Members: Hear, hear!

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in joining in debate on the motion before us today, I think it is important to deal with it section by section. Hon. members will note that the motion starts out as follows:

That this House notes with distress the prodigious increase in the federal, provincial and municipal debt, which will result in the shattering of our country—

When we speak about "prodigious", I think we should refer to the Oxford dictionary, which says that the word means "marvellous, amazing, enormous, abnormal". If the mover of this motion is suggesting that the increase of our total debt in this country is "marvellous", I would not agree with him. If he says it is "amazing", I would agree in part. If he says it is "enormous", surely nobody in this House would disagree. If he says it is "abnormal", I would agree with him most heartily.

Before dealing more specifically with the first part of the motion, I should like to say that I find it most remarkable that in an age, in a month, in a year when we are faced with perhaps some of the most serious problems that have faced this nation since confederation, we should be confronted with a motion that when you read it in its entirety is simply harkening back to the tired, worn-out theories of social creditism. I say that because the Social Credit party that we have known in this country has from time to time espoused what is called the "funny money" theory. But basically I think it has been a Social Credit party of compassion. It was certainly a party that under its former leader, Mr. Caouette, at any given time showed great concern for unemployment and the well-being of the average Canadian. I would suggest that the Social Credit party, through the mover of this motion, could have given us a more challenging motion to consider in view of the tears that are taking place in the fabric of this fine country.

Perhaps it would be helpful to read into the record what some in the international economic world are saying about Canada today. For example, in a well respected publication, the "Bank Credit Analyst", which puts out a special supplement called "Outlook, 1977", the economic conditions of various countries are dealt with. At page 41 it has the following to say about Canada:

So you can see the basic ingredients of financial disaster in Canada—an overvalued currency sustained only by continuous recourse on a vast scale to foreign credit, huge budget deficits and balance of payments deficits, an uncontrollable public sector, sharply declining competitive position of manufacturing and a persistent shift of employment to unproductive "overhead" areas and away from the producing sectors. Corporate profits and the rate of return on capital have been sharply eroded as a result of this process and, more recently, by the controls program. Investment in goods-producing industries is falling at a rate which, if continued, will threaten the long-term viability of the economy. Private capital inflows for investment have slowed dramatically, partly due to the hostile political climate, controls on foreign investment and punitive taxation, and the outflow of private capital is on an accelerating trend.

It doesn't take much imagination to see where things are heading. As you would expect, the economic recovery of the past 18 months has been of very poor quality, supported primarily by government spending and deficits, subsidies to the housing industry, wage inflation and a temporary lift in exports due to some inventory restocking in the U.S. and elsewhere.

Unemployment is very high and could go much higher on existing policies.

Mr. Speaker, in total, 12 separate points of concern are spelled out in those two paragraphs. In short, this country is in trouble economically. I think it is time the government and all members of the House addressed themselves to the simple question: Why, with the potential we have in Canada, are we getting into the type of trouble we are now living with?

I listened with some interest to the Minister of Supply and Services (Mr. Goyer) because I hoped he would tell us that they planned to change their ways. I notice that he dwelt very gently on the question of credit. He pointed out that he felt if we became party to the Social Credit type of philosophy, somehow it would be inflationary. He pointed out, too, why he felt it would be inflationary. He dealt with the municipal level and the provincial level. Strangely enough, when he came to the federal level he said, "These rules do not apply. The relationship we have to the Bank of Canada is, somehow or other, unique. The relationship is one where, if we wish to bring monetary stances into line with fiscal stances, that is our prerogative."

That, perhaps, is the apex of the main problem in Canada today—the attitude on the part of the ministry that has been running this country since 1968. In short, they have chosen to use our monetary and fiscal position in Canada to suit their own political expediency instead of meeting the economic realities of the day. When I say that, I say it very advisedly. Let us not forget the simple fact that there is absolutely no mystery about where inflation comes from in any country. In Canada, inflation is manufactured in Ottawa: inflation is manufactured by the government of the day, namely, the Trudeau government.

Some hon. Members: Hear, hear!

Mr. Stevens: Over the last 24 or 25 years it is interesting to review, on one hand, what has been the inflationary stance in Canada and, on the other hand, what has been the real growth and the growth in our monetary system through those four six-year periods. One need not be a scholar of economics to

know exactly what has happened. Incidentally, I am relying on government figures tabled in this House in response to a question I placed on the order paper on October 21 last. In the six years ending October, 1958, the rate of inflation in Canada was 8.6 per cent. I emphasize those figures—in those six years our inflation rate was 8.6 per cent. For the next six years ending in October, 1964, our inflation rate went down to 7.6 per cent. But in the next six years it rose to 24.1 per cent, and in the last six years ending October, 1976, the inflation rate in this country was 55.3 per cent. In short, our inflation rate escalated from 8.6 per cent and 7.6 per cent in the first two six-year periods to which I referred, to a rate of 55.3 per cent in the last six years.

• (1630)

Consider the increased money supply which has been generated in our economy. We find that in the first six years referred to our money supply rose by 25.9 per cent compared with real growth of 22.8 per cent. In short, we then witnessed better management of our fiscal and monetary matters. The money supply increased at approximately the same rate as the real growth in the economy. I point out that those low inflation years were basically Conservative government years. In those years the money supply went up 19.9 per cent, but the real growth of the economy was 31.6 per cent. Clearly, one could not call the increase in the money supply in those years an inflationary increase.

However, in the next six-year period we note a shift in conformity with Liberal philosophy. For the first time, the increase in the money supply started to overtake the real growth in the economy. We find that in that six-year period the money supply rose by 43.2 per cent while in real terms the economy grew by only 34.7 per cent. It is also interesting to note what happened to our money supply in the period October, 1970, to October, 1976. Mr. Speaker, it grew by 100.2 per cent while in real terms the economy grew by 31.7 per cent. Is it any wonder that this nation has experienced a 55.3 per cent rate of inflation when you consider that in the period when the real growth in the economy was 31.7 per cent the government expanded the money supply by 100.2 per cent?

Let us look at the matter in another way to see to what extent the government has overinflated the money system. We find that whereas the growth of the money supply approximately equalled the real growth of the economy in the six years ending in 1964, the period when inflation had been running at only 7.6 per cent, the growth of the money supply in the next period alluded to, because the government overcreated money, or printed it as some might say, rose five-fold as compared with the real growth of the economy. Those are the facts.

The minister generalized about the inflationary impact of the Social Credit philosophy and proposal. I can only say that the minister should have done some homework. Essentially, his government has adopted many of the principles advocated by the Social Credit party, namely, the monetization of the tremendous debt this government has incurred since assuming power in 1968. Let me be specific. The government likes to waffle, to obscure the real size of this debt. We heard certain figures mentioned today. According to the answer to my question on the order paper, the gross national debt in Canada as of March 31, 1975, including contingent liabilities—I emphasize these contingency liabilities because the government loves to minimize its debt by not including them—was $78,326 billion. That was two years ago. By this time it is more than likely that that debt exceeds $80 billion—probably $90 billion if all contingencies are taken into accounts. I point out that when the government took power in March, 1968, the gross debt in Canada was only $42 billion. Clearly, since gaining power the government has more than doubled this debt.

The point I wish to make is that when a government spends and overspends to the extent this government has been doing, it can cover its spending only in three ways. It can do the honourable thing and tax in order to cover its outgoing expenditures or it can borrow funds from the private sector. If it borrows too much from the private sector, it will drive up interest rates in that sector. Third, the government can do the most dishonourable thing and monetize its debt by falling back on the Bank of Canada. To a large extent, the government has followed the last of these courses in financing the debts to which I have referred.

Check my figures, Mr. Speaker. Everyone in the Bank of Canada brings out a statement on the fiscal position of Canada. Included in that statement is a breakdown of the total financial needs of Canada. The bank shows where the government has raised money. I have referred to the six-year period ending in 1970. It is interesting to note that while our inflation rate was rising somewhat, the government was still borrowing moderate amounts from the Bank of Canada to finance the ongoing operations of government. In that six-year period total government borrowings from the Bank of Canada amounted to $1.163 billion.

Then we saw a change of heart on the government benches. Perhaps that change of heart became most obvious when John Turner took over as minister of finance. Of all the finance ministers who have reigned in Canada since confederation, there was never a spender to equal John Turner when he was minister of finance.

Mr. Knowles (Winnipeg North Centre): You hoped he would join your party.

Mr. Stevens: I certainly did not hope he would join our party; let there be no doubt about that.

Mr. Knowles (Winnipeg North Centre): But you did at one time.

Mr. Stevens: And where did the government, with Mr. Turner, raise a lot of the debt which it inflicted on the Canadian public? It raised it from the Bank of Canada to the tune of $4.159 billion. That was the figure up to December of last year. In short, in the six-year period up to 1970 the total debt this government monetized amounted to $1.163 billion. In

the last six years this government has monetized $4,159 million of debt alone. Why is all this significant? It is significant because that debt is one of the main instruments for increasing the M-1 supply, the basic money supply in this country, and if the money supply is increased at a rate faster than the real growth in the economy, the result is inflation; there can be no doubt about it.

The government may pretend it does not know how to control inflation. It can state, as it did, that we needed wage and price controls to control inflation. It can state that the labour unions are the bad boys, or that businessmen are causing inflation. The truth is that the government itself has caused inflation—and the Canadian public must never be allowed to forget it. The creation of extra money supplies, together with an overly expanding fiscal stance, has led to the inflation now afflicting this country. The Minister of Supply and Services gave a nodding acceptance to this in his speech.

Mr. Goyer: I gave facts.

Mr. Stevens: He tried cleverly to pass the blame to the provinces and municipalities. But we find that the provinces are controlling their spending. They are controlling their spending increases more effectively than the federal government. That is exactly the reverse of what should be happening. If we want to get a handle on inflation, it is absolutely essential that we first accept the proposition that we must lower the federal government's take of the gross national product at a faster rate than has been taking place. When I speak about growth in federal government spending, I emphasize that between 1967 and 1977 Ottawa will increase their spending by 289.3 per cent, or an average of 14.7 per cent per year. In 1967, the total budget was $9,867 million. In 1977, it is $38,417 million. If we exclude defence, which has been growing much slower than other expenditures at the federal level, we find that federal spending has gone up 362.8 per cent, or an average of 15.8 per cent per year over the past ten years.

● (1640)

The motion is relevant in this sense. If it is used as a focal point to highlight why we have inflation in this country, to highlight that this government has thrust us into more debt per capita than ever before—and unfortunately they not only thrust us into debt but they have monetized the high proportion of that debt with the Bank of Canada, which in turn has given us inflation—it will be useful.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, looking at this motion I have come to the conclusion that I am glad it will not come to a vote. I would be hard put to know what to do with it. Nevertheless, I want to say this: there has always been a strong bond of sympathy between my views and some of the views put forward by the Social Credit party, even though I do not agree with them on particulars or techniques. The more I listen to the views of the Liberal party and the Conservative party, the more persuaded I am that that bond of sympathy should be reinforced.

Some hon. Members: Hear, hear!

[Mr. Stevens.]

An hon. Member: What about last night?

Mr. Saltsman: Last night was a very interesting thing to observe. When the hon. member for Nickel Belt (Mr. Rodriguez) was speaking, a number of members of the Social Credit party were in the chamber. I could see they were listening. They did not agree with everything the hon. member for Nickel Belt was saying. However, their instincts, their feelings for the little man and their sense that our tax system is oppressive and weighs heavily on the little man, favouring the big man, are the same as ours. That is quite clear, and I respect that.

Whatever the Minister of Supply and Services (Mr. Goyer) had to say about the theories put forward by the Social Credit party—and the same holds true for the hon. member for York-Simcoe (Mr. Stevens)—what they have is for more important than the facile sophistication of the two spokesmen for the respective parties. They have an instinct for the truth. The great geniuses of the Liberal and Conservative parties have had the opportunity to govern, or misgovern, this country at one time or another. They think they know what they are doing. They say to the Social Credit party that they have a very unsophisticated theory, that they do not understand how the whole system works, and then gently try to explain how it does work.

They know something that the people in my party know. We have a society where people have needs. We have productive resources that are sitting idle. We have people who need houses, people who need jobs, all the capital you could want, and all the resources one could possibly hope for. We have so much food that we do not know what to do with it. In fact, the farmers are encouraged not to grow more crops. How can you have all these things and say you cannot put them together?

The hon. member for York-Simcoe says that the villain is the money supply, that the Liberals are in fact Social Crediters and that they have been responsible for increasing the money supply. That accusation has some truth. In 1963 the Liberals, under Walter Gordon who went on to be minister of finance, supported in a very strong way a Social Credit motion to change the whole economy. The Liberals supported it. That is the way they are. They woo you one day, and leave you the next. They are very unfaithful lovers. "Kiss them and leave them"—that is their attitude.

The germ of what is being said in Social Credit theory is true. It is the same germ that is contained in Keynesian economics. The problem with our society today is that we do not have purchasing power where it is needed. In other words, those who need houses and have other needs do not have the money with which to buy them. Something is wrong with the system. I am not going to say that the A plus B theory of Major Douglas explains it in an adequate way, because I would not presume to understand it. I was a little confused, especially when it was translated from the French.

We have to find some way of increasing purchasing power in our society. There are one million people unemployed. What went wrong with our geniuses? What went wrong with our

sophisticated people who hold degrees from every university in the universe? We have inflation at the same time as we have one million people unemployed. That is something to which these people must address themselves.

The hon. member for York-Simcoe pointed the finger at the Liberal party. He said it is their fault. His party did not behave any differently when they were in office. I am sorry I do not have the figures on the money supply when the Conservatives held office. However, they had to throw out the governor of the Bank of Canada because he would not increase the money supply fast enough. How can you hold the money supply responsible for everything that goes on? It is as though the price of oil did not increase 400 per cent and the prices of commodities did not rise. Most causes of inflation of the past few years can be attributed to everything but the money supply. The money supply had to be generated in order to pay the higher costs involved. The government and the official opposition continually harp that the money supply is always the villain; that if you increase purchasing power, you wreck society. That is just not so. They have not increased purchasing power or the money supply during the last year. Have they really helped the employment situation? Are people going back to work because the money supply has not been increased? The situation is worse than ever. The hon. member for York-Simcoe often argues that we have to increase investment. We have increased investment over and over again, with no effect. Very often when you increase investment you throw more people out of work. Therefore, the problem cannot be resolved by increasing investment. We have idle plant capacity, with less than 82 per cent employed. For what purpose do you increase investment?

Through the tax bill the government increased the ability of high-income people to save. There are some reasons for objecting to that. The effect of allowing people in higher income tax brackets to get this kind of benefit is that the very people who need the purchasing power and would use it to get the economy in action have to pay higher taxes. There is no such thing as tax avoidance to the extent that one group of people can shelter their tax and another group has to make it up. If you provide benefits which are essentially of greatest benefit to those in higher income brackets, it means that people in lower income brackets have to make it up in one way or another. They will do it through sales taxes; they will do it through income taxes; they will do it through taxes which might have been reduced but were not reduced. But the point is that it has to be made up at some point.

● (1650)

There is no way out of the morass we are in at the present time except to increase purchasing power for those at the lower end of the income scale. We have reached a kind of plateau, Mr. Speaker, in our society. Not only our society, but western society in general, I think, is in serious trouble. If you take a look around you will find that people in the middle and upper income brackets are accumulating savings at the greatest rate in history. There is no shortage of savings. We may, in fact, be reaching a point where the saturation of goods is such that people in upper and middle income brackets really do not need to buy anything any more; they already possess most of the things they want. If you are going to increase purchases, if you are to keep the wheels rolling—aside from the moral aspect of income distribution, and aside from the justice aspect of income redistribution—you have to find a way to increase the purchasing power of those at the lowest end of the economic scale, or you will never get people back to work.

You can see a phenomenal amount of savings being made available to people in the middle and upper income tax brackets, and how they are rushing to put it away. Normally, one could say that savings are a good thing, and I think that generally savings are a good thing. But it is also possible for what might be a virtue in terms of individual savings to be a collective disaster if a whole nation does it instead of redistributing that income in some way so as to provide full employment for the nation. That is really what is being talked about in a motion of the kind before us. We might argue about techniques, about whether you are going to have interest-free money or not, but the germ of an idea is there and it has never been answered.

People have laughed at the Social Credit movement for a long time, particularly those sophisticates in the Liberal and Conservative parties. When I listened to the minister and to the official spokesman for the Conservative party, I thought they were getting ready for the next Quebec election. They sounded as if they were going into the Creditiste strongholds and those were the arguments they were going to use against the Creditistes. In other words, "Don't vote for these guys; they don't know what they are talking about. Vote for us; we know how to run the economy; we know how to give you one million unemployed. Don't listen to those guys." They are already sharpening up for the next federal election. But that idea stays alive.

I think there is a lot wrong with the Social Credit theory, but I do not have time to go into the negative aspects of it today. There is a lot wrong with it, or obviously I would be a Social Crediter. I think there are problems with it. But one thing nobody has been able to answer is why this idea stays alive. If it were patently false, if it were indefensible, surely the people who voted Social Credit or for the Creditistes in Quebec would have rejected them. They are not foolish people. But I think that despite the fact they do not have degrees in economics, either the people who run for the Social Credit party or who vote for them, their instincts tell them there is something wrong with the sophisticated theories put out by the old-line parties. So nobody has been able to answer that great paradox: Poverty in the midst of plenty, and unemployment when there is so much to be done. It is to that paradox that the motion addresses itself, and in that respect the viewpoints put forward in this motion deserve respect and attention.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, after the very clear statement made by my colleague from Bellechasse (Mr.

Lambert), I do not intend to dwell on the means which the government should now be taking to control the staggering rise of our national debt which will lead this country directly to disaster.

I would like to discuss for a brief moment our public financing system, mainly since Confederation and thus note its disastrous effects on our Canadian community.

When we examine the public financing system in Canada and try to detect its shortcomings and bring about improvements in accordance with the wishes of all the provinces of Canada, we are aware of the faulty distribution of taxation powers which has been the source of our worst struggles since Confederation in 1867.

This little historical review will enable us to pinpoint the primary cause, I was going to say, the main cause of all our internal wranglings. Our problem is nothing else but a money problem, a dollars and cents problem. Matters of language, religion and even races are futile compared to our financial problems which result in the deepest indebtedness, as it becomes financially impossible to reimburse the capital because the interests must be paid five times before a dollar of capital can be reimbursed. Mr. Speaker, there are several ways of subduing a nation: militarily, politically or otherwise, but the most hateful is to subdue it financially. God knows to what extent the central government has taken advantage of this in the last hundred years to restrain financially the influence of the provinces in fields coming under their exclusive jurisdiction.

● (1700)

I wonder, after reviewing the events of the last hundred years, if that diabolical bond was not dreamed up by the British government which had absolute control over that North American colony known as Canada, because the British were well aware of the motto: divide and rule. The primary concern was to safeguard the interests of the Crown in the face of British subjects, although by means that were not always civilized. For that reason, I am of those who believe that the British North America Act was first and foremost a political gesture on the part of the government in London which, through a simple private bill sponsored by the Ministry of Colonization, foisted upon its subjects of the northern colony a sham responsible government which it called the new Confederation of British North America.

We find here that the British Crown acted very diplomatically, since it was essential to prevent an armed conflict between the English and the French who were then in greater numbers. The Crown knew full well that while the federal government and the provinces would be fighting over the biggest slice of the cake, its interests, which were to collect as much as it could in taxes from Canada, would be served. It is somewhat like the manager of two big boxers. He will have them fight together better to exploit them. I think that is what the Canadians destined to live together in Canada on that American soil, Anglophones and Francophones alike, never did understand very well. Still, we seem to be sensible people, on both sides. Why not sit down once and for all around a table and discuss sensibly the whole matter of money and indebtedness. That, in short, is the main sidelight of our financial history and the cause of our perpetual conflicts.

What does the federal government do? What does it want? More money and more ways of getting the provinces into debt. What about the provinces? What do they want? More money and more borrowing powers to meet the needs of the municipalities. Look at our cities municipalities, and school boards: they also need money. The problem cannot be solved at the bottom of the pyramid, that is, by the Canadian people, the powerless victims of that financial drama. Our society is sick. The central government is power hungry. It wants to be the unchallenged master of Canada and to achieve that status it will resort to every means at its disposal. On the one hand, it proclaims ministerial decrees from the heights of its authority, foisting this or that law or guideline upon the provinces. On the other hand, like a snake, it worms its way into exclusively provincial jurisdiction, under the pretext of helping, like the thief who distributes his spoils provided he reaps some popularity.

The federal government acts as if the provinces did not have enough intelligent men to manage its affairs and reach agreements among themselves. Just a few years ago, the government even set up a department to return to the provinces some of the funds collected in those same provinces without going through their governments. In years past, it invented the infamous shared-cost programs, of which there were 49 in 1964 and perhaps even more today.

Since the very beginning, Quebec has always asked to opt out of programs within its jurisdiction and to get tax points in return, because all the central government does it to collect taxes on behalf of the provinces and to give them back some of this money. I say some of this money because once, when I asked in the House what percentage was given back to the provinces, I was told that $2 out of every $5 collected was returned to the provinces. We heard quite a different story this afternoon, and I shall return to it later.

Ever since then, I have given my full support to the province of Quebec in the matter of tax patriation because it is really too costly to have the taxes collected by the federal government. More recently, the government created the Department of Regional Economic Expansion, supposedly to fight against regional disparity. This objective is good in itself, but what it hides is not so good. I still remember a meeting of the Committee on Regional Economic Expansion when we were asked to vote $500 million just before a general election. The then minister, the hon. Jean Marchand, hurried through the regions handing out millions of dollars, especially to industries with Liberal tendencies, which later went bankrupt or sold out after having pocketed millions of DREE dollars. Most industries that went bankrupt had probably forgotten that the subsidies they were given did not even cover the interest on the loans they required.

However, this was not the important thing for the Liberal party since the political objectives of the election campaign

had been attained. It is the same today: You only have to watch the forthcoming by-elections. Just watch the Minister of Regional Economic Expansion (Mr. Lessard) at work; he has already proven himself. He will be called upon to visit various constitutencies where he will distribute his generous gifts as in past years and past elections in an attempt to sweeten up the people. Just watch him. The other ministers and not only the Minister of Regional Economic Expansion will do this; in the last election, 12 ministers came to my constituency. Just watch them and tell me after the by-elections.

I hope that the people in Quebec will continue to keep their eyes and ears open. All these subsidies only increase the debt of the public sector, that is the provinces, the cities and the municipalities. When a subsidy is promised, it generally covers only the interests on the loan needed by the parish or the city. We have the proof of this today in our region, in my riding, where the interests—I looked at the budget myself—on the debts resulting from these grants or loan promises, the interests alone represent 50 per cent of the total budget of the cities or municipalities. Is it not hypocrisy to get a municipality into debt and then use it to play politics? How can you hope to pay off the capital at those interest rates? And all this is an attempt to win an impossible political victory, since the more they put into my riding, the more they lost! The only purpose is probably to distract the provinces' attention or take their minds off their problems.

● (1710)

The federal government convenes federal-provincial conferences to impose its will on the provinces. From the early days of the Confederation pact, I always call it "confederative package", we have always found the same themes, the same wrangling over the separation of powers, for ever increasing taxes, more indebtness. Such reports make very tedious and irritating reading because several provinces, and Quebec in particular, are getting fed up with federal dictatorship and with the Trudeau administration and his strong central government.

We are convinced that the only way to restore some hope for unity in Canada is to start giving back the provinces their own jurisdictions and taxation powers commensurate with their obligations prior to all bargaining, full authority on taxation matters should be returned to the provinces. Even though the right hon. Prime Minister (Mr. Trudeau) keeps telling the Quebec people to hold the referendum as soon as possible and that he, the Prime Minister, would start writing a new constitution if necessary, whereas the Leader of the Official Opposition (Mr. Clark) threatens to send the army in should Quebec proclaim its independence, proferring such threats and utterances will be to no avail because the Quebec people are no longer nervous. There is only one thing, which can serve any purpose and which incidentally, may be instrumental in bringing Quebec back to the bargaining table that is if the federal government gives back to Quebec the whole balance of taxation rights which it has claiming for a 100 years; let the federal government get out of areas which are under exclusive provincial jurisdiction, such as health, education, culture, language and so on; let the central government stop granting loans carrying an 11 per cent interest rate to provinces, which have to pay back fivefold the small amounts which were lent to them.

The Liberals will contend they are doing what they do to help the province of Quebec! The best way to help the people of Quebec at this stage is to be honest for once in a hundred years, and give them back what is rightfully theirs and restore the rights of the provincial government so that it can carry out its responsibilities. In other words, let the thief out of the Quebec family home, and peace will return. The things we are asking for today are not new, Mr. Speaker. Others long before us have done so for the provinces to reduce their debt. Besides, we find that the first province which used direct taxation was British Columbia when they taxed individual income.

Later, the province of Quebec began to tax corporate income. I think the government was not interested then in direct taxation, because it produced almost nothing. They kept for themselves customs fees and other more profitable indirect levies. But as soon as the federal government realized that they could get large sums of money from direct taxation, they decided to get into this field, and for this they always took the opportunity of a war, since they had to find an excuse to invade this area of taxation.

The first time, it was during the war of 1914, when they took hold of a large part of direct taxation, and with the war of 1939, more precisely in 1942, the King administration hypocritically urged the provinces to relinquish all provincial direct taxation fields. The opportunity was excellent, too good to miss, and so Ottawa took over for five years.

Ever since 1867, the provinces keep claiming from the central government either the abandonment of joint programs or the recovery of their rights.

And we have handfuls of newspapers. For example, I have here a newspaper dated January 13, 1964 in which the hon. member Maurice Lamontagne is reported as saying:

Possible abandonment by Ottawa of joint programs.

And a Social Crediter he was not.

Then I quote from a newspaper of 1964:

Quebec plans to withdraw from 7 of the 49 joint programs.

And so it goes. From another Quebec newspaper of 1964, I quote:

Quebec must at any cost recover its fiscal rights.

At next week's federal-provincial conference, the Quebec government will reiterate its request for 100 per cent of the direct taxes collected by Ottawa in this province.

Mr. Speaker, those are the arguments we hear not only from Quebec but from the other provinces wishing to recover their rights. As you can see, all prime ministers, one after the other, pressed for those rights. Is it any wonder then that the new Quebec government does not trust this government any longer? First of all, we have to comply with joint agreements, and bring this government to its senses if we want Canada to survive. We are faced with the worst bureaucratic and financial dictatorship this country has ever known since Confedera-

tion. We have to restore democracy and ensure absolute self-reliance and respect for provincial jurisdictions, if we want Quebec to resume discussions with federal authorities.

As far as the Bank of Canada is concerned, the minister of Supply and Services (Mr. Goyer) surprised everyone of us today by saying he could not monetize the nation's credit because it would be inflationary. But, Mr. Speaker, can you imagine how surprised I was, since I have always thought inflation was due to too high a rate of interest. The cause of inflation is excessive bank interest and discount rates by the Bank of Canada.

And then, the minister tells us that: The Bank cannot make representations to . . .

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but the time alloted to him is over. He could pursue his speech with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Mr. Gauthier (Roberval): I thank you very much. I shall take only two or three minutes. I was saying that the Minister of Supply and Services told us that the Bank of Canada cannot make representations to the provinces because it does not want to interfere with their affairs. Here is a reasoning which again took several hon. members by surprise and we wonder why. If we maintain the same reasoning, why does the government of Canada not hold the same position as the Bank of Canada in the best interest of the provinces? In any case the minister's line of thought is simply ridiculous since the provinces are an integral part of the great Canadian economy and the Bank of Canada is precisely supposed to control the money supply in Canada.

Finally the minister tells us that the provinces must be satisfied because the federal government gives them one-fifth of the amounts received. I thought it was two-fifths but it is not; the minister has just told us—and I am pleased about it—that when the federal government receives $5 from the provinces, it gives them back $1. I expect the provinces will be happy to hear this and Quebecers will keep that in mind in the future.

To those who ask what proportion of federal taxes raised in the province of Quebec goes back to them, the minister himself has just given an answer: one-fifth of taxes raised goes back to the provinces. Don't you think that this government is being overpaid for the job? And the minister has the audacity to say that the provinces should be glad not to have the dirty job of collecting these taxes. Do you realise that the minister is convinced of doing a favour to the people of Quebec when he takes $5 from them and gives them $1 back? And then the federal government does not understand why the province of Quebec is claiming the right to raise its own taxes. No doubt that with people like the Minister of Supply and Services, Quebec has no chance to enter into negotiations.

Therefore, again before concluding I appeal to all hon. members who are still able to think with some logic in this House so that the provinces stop suffering from the disastrous performance of this centralizing government which has been ruling this country for too long.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg South Centre (Mr. McKenzie)—External Affairs—Garrison diversion—Proposed trust fund to pay for alterations—Alternate source of water for Portage la Prairie; the hon. member for Edmonton West (Mr. Lambert)—National Defence—Request that minister visit Edmonton to explain relocation of airborne regiment; the hon. member for Wetaskiwin (Mr. Schellenberger)—Indian Affairs—Possibility of return of money collected from natives through export tax.

● (1720)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO SOLVE PROBLEMS OF FEDERAL, PROVINCIAL AND MUNICIPAL DEBT

The House resumed consideration of the motion of Mr. Lambert (Bellechasse):

That this House notes with distress the prodigious increase in the federal, provincial and municipal debt, which will result in the shattering of our country; and

That this House further regrets the fact that the government has failed to advance any new formula for the financing of the public sector to correct this situation, for instance, an amendment to the Bank of Canada Act allowing it to use the credit of the nation as currency in order to make long-term loans to the federal and provincial governments at an interest rate equivalent to administrative costs rather than the present six-month limit and to relieve the burden imposed on Canadians to repay up to five times the amount of the loans made to the various levels of government by banking institutions under the present system.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I welcome the opportunity to participate in this debate since it provides one with an opportunity to place on the record some

of the gross failures of this government in dealing with the economic concerns and realities of this country, and also to place on the record some of the gross inadequacies in its management of public funds. I think the hon. member who preceded me outlined the philosophy which governs this government. It is guided more by politics than by anything which would resemble sound business principles. Some of the things which have been going on in the province of Quebec in the government's quest to win a few by-elections is probably indicative of the fact that it would do anything for political partisan gain. In many respects this attributes in large part to the problem alluded to in this motion, namely, the abnormal increase in the size of the debt of all levels of government.

I must say at the outset that my first observation is that in terms of size and power, the federal government has to accept the major portion of the blame for the massive debt which has accumulated in this country. There can be no doubt about that. My friends the members of the Social Credit party have proposed a solution and a philosophy which they feel would work toward ameliorating and dealing with that particular problem. I am not going to comment too much on that particular aspect, but I want to talk about the accrual of this significant debt which costs Canadian taxpayers millions and millions of dollars to service year in and year out.

Last year Canada was the top borrower in the international marketplace; it borrowed $9.2 billion. In all, Canada absorbed about 16 per cent of the total funds borrowed on world capital markets. The next largest borrowing nation was Brazil, which borrowed $3.4 billion. The great majority of this increased borrowing abroad represents new issues by Canadian governments and their agencies. As the hon. member for York-Simcoe (Mr. Stevens) pointed out, the federal government, in effect, forces the provinces and corporations to enter the foreign market because it literally dries up any loose cash floating around in meeting its operating deficit.

We have to ask ourselves, what causes this need to borrow? Surely, it is not normal spending. Surely, if all governments had embarked upon normal spending practices we certainly would not have accumulated such a deficit. We, as Canadians, are among the highest taxed in the world, and yet our tax dollars are not enough. I suppose something could be said about the fact that Canadians are perhaps the most overgoverned people in the world. Because of that, governments have embarked upon poorly planned, extravagant and ineffective spending programs and money has been committed by governments without proper cost-benefit analyses and without having any idea as to the long-term implications with respect to cost or the efficacy of those particular programs.

In this country we have a growing penchant for direct government intervention. Every day we rely more and more upon the government to solve our problems, economic, social or otherwise, and in many respects this is a sad situation for Canadians because there is a tremendous amount of competence and expertise within the private sector and among individuals for dealing with day-to-day needs. For example, in the area of job creation much more could be done within the private sector, given the proper incentives and proper tax policies, to encourage productivity and employment; but this government seems consistently to embark upon direct job creation programs by government means.

We have a situation where industry is over-regulated. We spend money on silly things like metric conversion and televising the proceedings of the House. These are items at which we could take a second look and could cut back our total commitment to the expenditure of funds. In that connection I want to place on the record an article which appeared in the Ottawa *Citizen*. It was written by a gentleman, Douglas Fullerton, who in the past has been notably sympathetic to the Liberal party. The article is entitled "Dear Pierre", and reads as follows:

> Most of your new or expanded programs were concocted by a group of your colleagues, the "liberal" or spending wing, perhaps more appropriately designated as the "drunken sailors". With your support, their schemes were powered through cabinet and caucus, despite the doubts of more cautious ministers and members.

He goes on to say:

> Of course, your open-handedness has not been all your fault—you have been egged on by some of the big-time spenders across the parliamentary floor, led by the NDP.

I think that, in a couple of short phrases, really summarizes the mentality of this administration. We do not see any end to this. For example, when we look at the new transportation act we find that here, again, we are going to see a tremendous shift in power to the hands of the Minister of Transport. This might be all right if there were any degree of stability on the government benches, but the game of musical chairs which is being played by the ministers and by the bureaucrats will create a great deal of uncertainty in the transportation field. If it is going to be operated by the whims of politicians and bureaucrats, I do not hold out a great deal of hope for providing good transportation service in this country, nor if there are going to be any more fiascos like the Pickering issue or the $46.5 million loss at Mirabel which we will have to pick up this year, nor if we are going to have the "user pay" concept as it applies for example in the case of the Calgary airport. These expensive concoctions will be billed to the users, namely, passengers on various airlines.

The government has not been a worthy partner in dealing with the problems of inflation and government spending. The problem we have is that when these programs are put into effect they generate bureaucracies. The bureaucracies become irreversible, they grow constantly, and new ways and new schemes for spending money are constantly being devised. As time goes by, in many cases the original purposes of these programs are totally forgotten. The money keeps pouring in. The tilt of our progressive system of taxation is such that the government always manages to pick up tax dollars as a result of increases in salaries and the progression of inflation. We all know how politically difficult it is to abandon programs. Information Canada and the CYC are just two recent examples. Programs are very difficult to withdraw, so I think it is imperative that this House be very reluctant to pass legislation at random and to develop programs readily on an ad hoc basis.

● (1730)

I think we should provide a more favourable climate for individuals in the private sector to deal with the day to day issues and problems thrust upon them throughout their lives. Governments are certainly needed, but they should not be the end-all in dealing with the problems we have to face.

It could be summed up in the words of the Auditor General in his last report to parliament—the kind of mentality there is within the bureaucracy—the mentality for creating a greater penetration by the government bureaucracy. At page 6 of the Conspectus the Auditor General said:

A senior official told me recently that, for many years, recognition and rewards have gone to those who devise ingenious new programs, rather than to those charged with the responsibility of restraining and controlling expenditures and ensuring that value is obtained for money spent.

What possible result could have occurred from such a practice other than the wild spending spree we have been on for the past ten years? That statement indicates to me that for public servants there are no rewards for efficiency or economy, but rather for empire building. We know also from the reports of the Auditor General that parliamentary control is being and has been circumvented in the never-ending squeeze for money. This has reached crisis level.

That brings me to the next statement of the Auditor General, who said:

I am deeply concerned that, on the evidence of the two-year examination carried out by the audit office, parliament and, indeed, the government, has lost or is close to losing effective control of the public purse.

This brings into focus parliament's inability to examine, to scrutinize, to challenge government spending in an effective way. I think that is the core of the problem. It is a damning indictment by a qualified man, backed by some 75 professional auditors across the country. The Auditor General pointed out that he chose his words very, very carefully when he made that statement. It is a very serious statement, and I think it is endorsed by R. S. Malone of the *Globe and Mail* who, on February 24, 1976, had this to say:

For ten years it has been abundantly clear where the government was taking our country. Our politicians during all these years, unfortunately, were more occupied in trying to buy popularity with over-spending—and manufacturing money to pay for it all . . .

In a ten year period, Ottawa increased its spending by 600 per cent. It could only be paid for with devalued dollars, or legal counterfeiting, and Ottawa has known this all the time.

In summary, that means we are simply financing today's luxuries against the labours of tomorrow.

For the past two or three months there has been a great deal of interest in Crown corporations and their management. These corporations are recipients of vast sums of public money. For example, a question placed on the order paper on October 20 by the hon. member for York-Simcoe shows that in terms of government of Canada advances, loans and investments in Crown corporations, the total is $21 billion. That is taxpayers' money. The problem with Crown corporations is insufficient accountability. In many cases there is essentially no accountability to parliament and the shareholders, that is, the people of Canada. On that subject the Auditor General has this to say:

[Mr. Mazankowski.]

In the majority of the Crown corporations, audited by the Auditor General, financial management and control is weak and ineffective. Moreover, co-ordination and guidance by central government agencies of financial management and control practices in these Crown corporations are virtually non-existent.

He went on to say that whatever mechanisms were in place were grossly inadequate. While this is a very, very serious statement, what causes one to chuckle is the fact that the government is unable to provide a committee of this House with a list of the Crown corporations. It sounds unbelievable, but it is true. In testimony before the Public Accounts Committee on February 10, 1977, at pages 14:10 and 14:11, Mr. D. L. Meyers of the Auditor General's office revealed that no one in the government had a list of all Crown corporations. The Auditor General's officer prepared one and found over 30 not listed and apparently not subject to the rules of financial management provided by the Financial Administration Act. That is incredible, yet we have a continuing proliferation of Crown corporations and appendages in this country.

An hon. Member: Are you surprised?

Mr. Mazankowski: No, I am not surprised, but I am shocked and angry. When we have witnessed the revelations regarding AECL and Polysar we can understand how such problems occur and why we do not even know how many Crown corporations we have. Surely we have to question the competence of the directors and management of Polysar and AECL. Surely the responsibilities charged to them have largely been ignored. Enormous payments have been made to unknown people. There has been circumvention of foreign laws, and the government has simply failed to act or has acquiesced.

It is clear that the government has used Crown corporations as a vehicle for government departments to evade and circumvent parliamentary control. They become nothing more than reward centres for the heelers and bagmen. They have become tantamount to the Senate.

I could go on, Mr. Speaker, but my time is running short. I will conclude by saying the government is now syphoning off 41 per cent or 42 per cent of the gross national product. The federal share has grown rapidly, while municipal governments have been squeezed by both senior levels of government. Federal spending rose by 14 per cent this year, and will rise by 11 per cent or 12 per cent next year. The year before that it was some 18 per cent. I do not find this consistent with the empty promise of keeping government's expenditure in line with the growth in gross national product. Talk of cutbacks and restraint is comical when we know that we will see three or four sets of supplementary estimates.

We must ask if there is a solution and if we will ever be able to deal with the issue referred to in this motion. It seems to me we have to consider seriously the growth, power and size of the bureaucracy. We have to address ourselves to this problem of mismanagement in Crown corporations in which is involved a large amount of taxpayers' dollars. We have to consider

seriously a better vehicle for planning and evaluating our programs, and the impact of further centralization. Above all, we must ensure that parliamentary authority is restored.

To achieve some of these goals the first thing we must do is honour the recommendation of the Auditor General and appoint a Comptroller General. On this the Auditor General had the following to say:

. . . will lay the essential foundation of a soundly conceived program for restoring effective control over public funds and assets, and for ensuring probity, prudence and economy in their management.

Second, the increasing trend toward centralization of government must stop. Local governments can, if permitted breathing room, do an effective and efficient job of providing service to Canadians. In a country as vast and diverse as Canada, local governments can provide a much broader form of government service.

● (1740)

Third, and in conclusion, it is important for the government to consider seriously the establishment of an effective program review agency, an agency which would be responsible for the independent evaluation of all programs involving government spending. I suggest that such programs ought to be examined by an independent—I stress independent—source early in their lives, probably in the second year of operation. Established programs should be subject to ongoing evaluations as to efficacy and cost. I suggest thorough cost-benefit analyses should be performed, to ensure that the Canadian public is getting its money's worth for every dollar spent.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, first, I should like to thank the hon. member for Bellechasse (Mr. Lambert) for introducing the motion under consideration which is of the utmost importance when one considers Canada's financial situation at this time.

On many occasions, the Creditistes presented the same subject for discussion in the House because it is not only of vital importance to them but also to the economy in general, in particular when one considers the financial situation of various public agencies and I cannot mention many of them today because time is running out.

At the moment I have in mind the financial problems faced by some municipalities in my riding and in some neighbouring towns. Last week, in my riding the whole city council resigned because of a serious financial situation. The problem is now left with the provincial government. More than 46 per cent of this municipality's budget goes to pay the interest on the municipal debt.

More than 58 per cent of the budget of St. Hubert, a town near Montreal, goes to pay the interest on the public debt. I could carry on, Mr. Speaker and give you a list of nearly all the municipal governments in Quebec in a difficult financial position.

Before going any further, I would like to say a few words about the new Quebec government as it faces the municipal problem. One does not know yet the solution they will propose, but at least they said the day following the elections or a few days later that they would grant municipalities and towns discretionary subsidies. The government used to decide which towns were to receive a subsidy, which should not, thereby creating discrimination among various municipal governments which led to a situation where these last ten years, some municipal governments were in highly abnormal position compared to others. For instance municipalities with 15,000 people would receive $100,000 from the provincial government whereas others with 50,000 or 60,000 people did not receive anything due to the discretionary policy of the Liberal government in Quebec. Therefore, I am looking forward to see at the provincial and at the federal levels, taxation and monetary policies whereby municipal governments, towns and school boards would know where they are going and which sort of support they can count on for the next two, five or ten years. Under the present system, all the municipal governments in Quebec are completely in the dark which explains why many of our councillors are now hitting the roof in front of the financial situation which confronts them.

Mr. Speaker, the motion under consideration today proposes a monetary reform. We are asking the government to issue new funds through the Bank of Canada and to stop private interests and intermediaries, namely banking institutions from creating public funds.

[*English*]

Finance public enterprise with public funds (that is, with new money created by the government, through the Bank of Canada, and issued as interest-free loans for such projects); finance private enterprise with private funds (that is, with the savings of the people).

. . . we now have a dual-economy, consisting of both public enterprise, and . . . the two should be financed on different bases . . .

The government's incredibly stupid and utterly needless practice of borrowing Canadian money, at interest, means that the taxpayers are saddled with the burden of paying about $5 billion in interest, each year, for which they receive virtually nothing whatever in return. This payment of huge amounts of unearned interest, which represents no corresponding new production, is a major cause of the present inflation and is largely responsible for our excessive taxes.

The government's practice of financing public projects with private funds (that is, with money borrowed, at interest, from private moneylenders) is doubly inflationary. Not only does it cause an excessive increase in the amount of money in circulation but, at the same time, it also tends to very greatly decrease production. When the people are urged to buy interest-bearing government bonds, the government is saying to them, in effect: 'Why bother to invest your money in private productive enterprise? Lend it to us instead and we will guarantee you a high rate of interest on it, with no work and no risk whatever on your part. The real producers will be taxed to pay you this unearned interest.' How much longer shall the private moneylenders be allowed to thus sabotage our system of encouraging and rewarding initiative in private enterprise?

[*Translation*]

Mr. Speaker, billions of dollars are now being invested in the public sector. Those billions of dollars come from the savings of Canadians and are created with a stroke of a pen by the savings bonds of the federal, provincial and municipal governments as well as school boards. The billions of dollars invested in building roads, bridges, schools and hospitals are unproductive. The financing formula we advocate for the public sector will have the effect of releasing those billions of unproductive dollars so they may be invested in the private

sector. We believe that profit is a legitimate goal and that savings invested in businesses are entitled to a return and would find there a terrific opportunity of serving the common good by helping the country progress.

The savings released from the public sector could be invested in residential construction which would provide an opportunity for profitable investments and serve highly social purposes. The savings diverted from the public to the private sector would also provide businesses with an abundant source of capital. Canadian businesses would less and less have to turn to foreign investors and foreign banks to sell bonds and shares to provide for their financing. This way, Canadians could finance the economic development of their own country.

● (1750)

Mr. Speaker, it is rather easy to understand that private profit-making businesses must pay interest—and that is normal. On the other hand, public businesses such as the federal and provincial governments, municipalities and school boards which are non profit-making organizations designed to provide the community with services should have to pay interest. That is why we in the Social Credit Party of Canada advocate an economy where public capital would be financed with public capital and private enterprise should be financed with private capital. The savers, those who convert their money, their savings in savings bonds could convert them in company shares that could be guaranteed by the government of Canada and the provinces to prevent private businesses from being faced with the problem of financing their businesses.

Mr. Speaker, I do not have enough time to quote all relevant figures, but those interests stand out as the cause of those huge umpayable debts and taxes stiffling all sectors of our economy. I do not intend to refer to the figures of economists quoted this afternoon by the Minister of Supply and Services (Mr. Goyer), some economists who are paid to advocate the present system. I would like to refer, Mr. Speaker, to the *Reader's Digest* of Januray, 1977 which also has economists and takes a more realistic view of things. I quote:

[*English*]

Quiz on Taxes and Government Spending Total taxes paid by the average Canadian family, including direct and indirect taxation imposed by all levels of government, increased by 85 per cent between 1969 and 1975 because government spending at all levels has soared.

[*Translation*]

Mr. Speaker, between 1969 and 1975 taxes increased by 85 per cent, more than 14 per cent a year; this means that in seven years taxes will have gone up 100 per cent in Canada.

[*English*]

Moreover, governments spend much more than they take from us in taxes.

[*Translation*]

The government is spending more money than it is getting through taxation.

[*English*]

In this way they have contributed to the inflation that depletes the value of every dollar we earn . . .

[Mr. Rondeau.]

The national debt—the amount Ottawa must borrow to make up what it has spent beyond income, is soaring past $25 billion.

[*Translation*]

I am still quoting from the Januray 1977 issue of the *Reader's Digest*:

[*English*]

In ten years, the budget has skyrocketed 350 per cent from $8.8 billion to a forecast $39 billion in this fiscal year (April 1, 1976 to March 31, 1977).

Total government spending per person was $2,900 in 1975. But the governments took in only $2,700 per person. Thus they have proceeded to spend an additional inflationary $200 on each of us! And government spending has increased over 100 per cent per person since 1970 . . .

The national debt of the federal government will be around $28 billion at the end of the fiscal year, the result of budget deficits in 20 out of the last 23 years.

[*Translation*]

Mr. Speaker, I want to draw your attention to the fact that during the last 23 years we had 20 budget deficits yet neither the Progressive Conservatives nor the Liberals have changed their policy on this point for both have produced budget deficits.

[*English*]

All these answers are correct.

Mr. Jones: Mr. Speaker, I rise on a point of order. I do not see a quorum here, and I have not seen one for the last half hour.

The Acting Speaker (Mr. Ethier): I am not trying to delay the proceedings. The hon. member has brought to the attention of the Chair the lack of a quorum. It states here that I am asked to consult. I do not know whether it means to consult hon. members to see what they have to say on this. I think the proper thing to say would be to ask the Clerks for guidance on this. It states in the rules that the names of those present—

Mr. Goodale: Mr. Speaker, I would seek your guidance in dealing with the situation which apparently some members of the House have drawn to your attention. Your Honour referred to the rules. Would you be good enough to mention the rule to which you are referring? I might then be able to refer to that and make some comments with respect to it.

[*Translation*]

Mr. Rondeau: Mr. Speaker, may I call it six o'clock.

[*English*]

Mr. Jones: Mr. Speaker, I see the problem that Your Honour and all parties are having. I am therefore prepared to withdraw the point of order. However, when we return this evening all parties should at least have the courtesy to show some respect for the motion of the Social Credit party and be present to listen to the debate. I withdraw my point of order.

The Acting Speaker (Mr. Ethier): I think the hon. member's point will be well taken. It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at eight o'clock.

[*Translation*]

Mr. Rondeau: Mr. Speaker, at six o'clock, I was reading from an article published in the *Reader's Digest* of January 1, 1977 dealing with Canada's financial situation and related to the motion moved today by the hon. member for Bellechasse (Mr. Lambert). I was referring to paragraph 5 of this article.

[*English*]

The interest on the national debt, which was already $1.2 billion in 1967 will be around $4.6 billion at the end of this fiscal year, making it the third largest federal expenditure after health and welfare and economic development and support. Last year, the government guaranteed $15.5 billion in loans and advances to Crown corporations, of which about $7 billion went to the Central Mortgage and Housing Corporation. The government also guarantees loans made by charter banks to certain groups, including the wheat board, farmers, fishermen and students.

Federal spending has grown faster in the past ten years than the private economy which supports it. While GNP tripled, federal spending increased from $10 billion in 1967 to roughly $41 billion this fiscal year. Some $12.4 billion was spent on social welfare programs during the last fiscal year. Defence expenditures, however, amounted to only $2.6 billion while government outlays on activities associated with Canada's natural resources and primary industry amounted to $3.2 billion. Under the government's bilingualism program, expenditures reached $121 million.

From each dollar of national income, federal, provincial and municipal tax collectors take 42 cents of which 22 cents goes to Ottawa. Tax revenues have been rising consistently since the mid-1950's. If public spending continues on its present course it will not be long before the government takes more than 50 cents from each dollar in taxes.

Government at all levels employs 1.8 million people, teachers and armed forces included. That is one out of every five in the labour force. It is the largest employer in the country, spending over $10 billion on salaries and wages. Federal employees, excluding the armed forces, were paid about $5 billion in 1975, roughly triple the $1.7 billion they were earning in 1965. Between 1965 and 1975, the consumer price index rose 72 per cent. At that rate, a dollar saved today will be worth only six cents 50 years from now.

[*Translation*]

Mr. Speaker, this is a shocking figure considering that the increase in the cost of living in the last 10 years was 72 percent. Taking into account, as the Minister of Supply and services (Mr. Goyer) said this afternoon, the fact that our national product amounts to approximately $175 billion and then what the *Reader's Digest* has to say, it means that inflation apart, our $175 billion gross national product for 1976 will come up to about $55 billion in constant dollars of 1965.

● (2010)

It means that our national production in constant or current dollars has hardly increased during the last ten years. We could say that the national production amounts to about $175 billion, but if we consider the cost of living we can say that the production did not progress during the last decade. However, in 1867, when our Confederation came into being, the national debt in Canada was $93,046,051; in 1900, our debt reached $346 million and fifty years after Confederation, our debt hit $3 billion, totalling ten years later, in 1943, $9.228 billion; in 1955, it was at $17.952 million and in 1967, public expenses, of all government levels amounted to $21.8 million to rise up to $55 million in 1974, an average increase of 14 per cent a year; that constitutes 32.9 per cent of our gross national product in 1967 and 39.1 per cent in 1974.

Mr. Speaker, that tremendous increase certainly indicates the continuing trend of governments appropriating a larger part of economic profits in this country.

In other words, Mr. Speaker, hardly 100 years after Confederation, the federal debt in Canada had soared by almost 60,000 per cent. I recognize, Mr. Speaker, that the Canadian population increased sixfold since Confederation, but over the same time the public debt went up by almost 600 fold. So every day Canadians have to shell out almost $10 million in taxes merely to pay interest on the national debt.

How many bridges, hospitals, public schools, utilities will not be built for Canadians because of that $10 million a day? Ten million a day to help investors getting richer while Canadian taxpayers are waiting for services which they are entitled to and for which they paid taxes. We all know, Mr. Speaker, that the governments which let the public debt spiral out of control are responsible for that shameful waste, that is $10 million a day spent public debt service. That money should be used to meet the needs of Canadians, not to enrich financiers.

Mr. Speaker, several years ago, more specifically in May 1934, before the Bank of Canada was established under Bill C-19, when the Committee on Banking, Trade and Commerce was discussing the possible establishment of such a bank, there was in the British Columbia legislature a Liberal member who was to become a member of this House in 1935, and later a senator. Referring back to pages 500 to 800 of that committee's proceedings, we find that the Liberal member's suggestions to the committee are still extremely significant and relevant in 1976-77. I am referring to the Hon. G. G. McGeer, a Vancouver lawyer, MLA for Vancouver Burrard, who appeared on May 1, 1934. I would like to quote him from page 503, since his evidence is quite relevant to the motion now before us:

Under our system, there is no reason why mercantile banks should not keep doing what they have been doing until now, that is serving private interests. But when it comes to allowing a private banker to lay his hands on public credit and manage it to his own benefit as a monopoly, it is time all public leaders got involved, because under the present system, we are leasing the nation's public credit to a group of financiers who manage it with two goals in mind, first to serve the monopoly's private interests, and then to maintain the consumers' purchasing power and support the taxpayers' ability to pay. But unfortunately the latter aim has been sorely neglected. So much so in fact that across the Dominion . . .

. . . that was during the depression . . .

. . . municipal, provincial and national bankruptcy is widespread, the social system is in complete chaos.

I could go on quoting page after page of this extremely interesting evidence. On page 54 of the book *Let's Talk Money and Banking*, Arthur I. Judge, editor of the Baltimore Canning Trade, said the following:

For over a century, the management of the monetary system has been entrusted to bankers and finance specialists, in blind faith and absolute confidence.

Necessity now forces us to do away with bankers' management, and let governments manage public funds and control and direct the monetary system.

By giving these privileges back to the government, democracy will take over from the oligarchic power that bankers now have on government and trade.

Thanks to these changes, the elected representatives of the people will become the masters of the "economic arteries" of the nation, and it will be possible to maintain a responsible government on democratic principles.

No one has the right to say that the establishment of such a democracy cannot and will not lead to progress and prosperity as long as governments are not given a chance as were bankers, to control the monetary system.

The government should now take power away from bankers or the mismanaging of public funds will destroy the government and bring the civilization that generated it to an end.

The right hon. Prime Minister said is this House that provincial governments had only to ask for financial reforms, but I must remind him that, on the 20th of March 1934, as can be read in the minutes, under the title Money, Credit and Unemployment, the British Columbia parliament adopted the following resolution:

Whereas the monetary value of the exchange of goods and services inside the Dominion of Canada has fallen from more than $46,000,000,000 in 1929 to less than $30,000,000,000 in 1933; and

Whereas this decline in domestic trade has been followed by a disastrous increase in unemployment in Canada;

Whereas, pursuant to the constitution, the Parliament of the Dominion of Canada has exclusive jurisdiction over the creation, issuance and circulation of purchasing power in the form of money and credit belonging to the people of this province—

It is therefore resolved that in the opinion of this Assembly, the state should set up a national banking system to distribute national, provincial and municipal credit to keep in circulation a sufficient amount of purchasing power in dollars and cents and that the national, provincial and municipal credit should be used to alleviate the present burden of taxation and unemployment as well as to help restore and maintain Canada's prosperity.

It is also resolved that this Assembly declare itself in favour of a determined plan . . .

And not decided upon blindly, in an *ad hoc* context, on a day-to-day basis . . .

. . . of effective co-operation between national, provincial, municipal authorities . . .

That is what we are asking for.

. . . and the proposed banking system, to use public credit, monetized in the form of purchasing power, to implement an important program of public works designed to help the country and provide an income to its people, and to use as well the public credit thus monetized for expenditures required for the good administration of this country, its provinces and municipalities, school boards as well as social services which are vital to maintain education, health, peace, satisfaction, and freedom of all citizens of Canada with a minimum of expenses to taxpayers.

Mr. Speaker, before the Bank of Canada Act was passed in 1935, G. G. McGeer, a Liberal member, had warned this House and said: "Let us not make the same mistake as ancient Rome which brought about its ruin by entrusting bankers and financiers with public credit, and let us not provoke at home the same disasters which happened in Rome by surrendering national revenues to the public sector and allowing the latter to make overly big profits in taxes levied in the wealth of other vicious systems."

Mr. Speaker, it means that when the government collects high taxes today, it is to pay back mainly interests on the public debt. As I am running out of time, Mr. Speaker, I would like to refer to what G. G. McGeer said in 1934, and it is still relevant in 1977 since at present we have entrusted private institutions, which are called banks, with the administration or control of our currency, our credit, which represents 94 per cent of the money supply in Canada.

The Creditistes want the banks to carry on their financial transactions but not to manufacture money. The Bank of Canada which was established in 1935 has only been a "cover-up" for the chartered banks which today operate within the Bank of Canada because the federal government does not discharge its responsibilities and does not manage the finances of the country on its own. The federal government by issuing federal bonds, gives the banks the power to monetize the credit of the nation to let the country in debt and to make us pay now 50¢ for each dollar that is paid in taxes to the government of Canada, for the repayment of the interest on our provincial, municipal, federal and school board debts.

Mr. Gilles Marceau (Lapointe): Mr. Speaker, I am very pleased to have this opportunity to discuss in the House today in the presence of all our colleagues, a subject as important as this, namely the Bank of Canada. We, French-Canadians have a reputation to speak often about culture and language but rather seldom on financial matters. And yet owing to some of our French-Canadians colleagues opposite, we have the opportunity to-day to consider an important subject and I am convinced that this congenial and friendly discussion will make our colleagues, the other members of the House of Commons, realize that we are all concerned about financial problems.

Above partisanship, Mr. Speaker, it remains however that the basic matters of concern in our modern society are financial matters and even though the concern we share is the same in principle it does not always meet in certain areas because we often deal with it in different ways. And from this confrontation of ideas and solutions we have a richer society. If I consider the preamble or what is in fact the substance of the motion of today I read the following and I quote:

This House notes with distress the prodigious increase in the federal, provincial and municipal debt, which will result in the shattering of our country . . .

● (2020)

However incredible as it may seem, I share most of the concern of my colleagues opposite. I can see that our citizens are concerned with an increase in the debt of governments rather than with individual solutions to solve these problems.

Mr. Speaker, I think I voice the concern of all my colleagues when I support government commitments at all levels, federal, provincial and municipal, in respect of the social duty we must perform towards all individuals, and particularly toward the underprivileged. But I am not the only one who finds that the first concern of those known as our leaders is not to assume their responsibilities but to pass them on to the government level, and no doubt I am not the only one who deplores that the self-styled leaders of society at every level have become afraid of responsibilities, those who believe that governments are there to meet every demand submitted to them.

That this House further regrets the fact that the government has failed to advance any new formula for financing the public sector to correct this situation . . .

Mr. Speaker, I think that the Canadian society has tremendous advantages that I do not intend to appraise or stress, but I find that even the present society experiences exceptional difficulties, because its members are inclined not to assume the responsibilities that are theirs. If governments at all levels are so excessively in debt, that comes from the weakness of governments because they say yes to all requests put before them. That is because of the poor sense of responsibility of our leaders at all levels who, with a view to getting their responsibilities off their hands, apply to governments as if they were wonder governments, able to give at any time, under any circumstances, a favourable answer to everyone asking for money.

Mr. Speaker, as a French-speaking Canadian, as a full member of this House, I am glad to be able to demonstrate tonight with my colleagues opposite that the problems our government is facing will be resolved under the condition that our colleagues opposite collaborate with us to find solutions. When I ask this to my colleagues opposite, I know that they are aware that our governments need some participation, some collaboration from every member without any party considerations, because what is important is not to win acceptance for one's own political idea, but first of all to win acceptance for this idea of one Canada of which the flag is a concrete example, the flag beside our distinguished Speaker who does his utmost to give to every member of this House the rights to which they are entitled.

I think, Mr. Speaker, that it is becoming important to realize that the problems we face are not unsolvable. Sometimes we tend to exaggerate situations and it is sometimes normal, in all fields, in order to give a faithful image of a situation, to caricature it.

An hon. Member: That's the same as the Creditistes?

Mr. Marceau: No, it is not the same! What I mean is that in our society, there is a tendency to picture problems as though they were tragic. I suggest it is a better way to explain, and above all to say things. Mr. Speaker, tonight I am particularly happy to take part in this debate, not in the hope of bringing revolutionary solutions, original solutions that will solve all our problems, but I feel that what inspires all those who bring their contribution to this debate, their first concern, is to help Canadians, and particularly those who are least privileged.

We, who are here, cannot say we are underprivileged. I think we all enjoy a fairly high standard of living, that we all enjoy socio-economic advantages that are admittedly above average. But I do think it is our concern, our duty, our responsibility to help those who are less fortunate. And when I hear my colleagues across the way express their concern by suggesting solutions that may not be new, but have some value, in an effort to solve the problems, I feel that we cannot shrug off people who, like us, are trying to find solutions.

This evening, as I read the motion before the House, I see it is expressed in extremely restrained terms. When, for instance, one reads this, and I quote:

I am almost willing to conclude that the warning sounded by our colleagues is of value because, considering the problems facing us, we have to conclude that we have failed to find a real solution. Let us be honest about the situation. We should not dismiss any solution offering some possibility of helping those who are less well-off than we are. To my mind, the debate until now has maintained a desirable level, which allows us to conclude that we are not here to try to destroy by the use of words that exceed our thoughts, words that win acceptance for political ideas or that pave the way for an eventual election.

We are given here the opportunity to note together, in a fraternal and friendly atmosphere, that Canada, an extremely rich country is nevertheless beset with problems which we have not been able to solve. I think that this debate will have fulfilled its objective if it brings home the realization that we will have to work together if we want to help those who are less fortunate than ourselves.

Mr. Speaker, those who know me are aware of the fact that I am not the most knowledgeable person in financial or monetary matters but then it is impossible to be knowledgeable in everything in life. I do not think that all hon. members in the House who speak on behalf of the Canadian people can claim to be in a position to find solutions to each problem and to be well informed in every field. There is, however, one fact which seems to me to be most essential and most important. Members from all provinces, except one where we are not represented—and it is unfortunate since every province should be—should come together and realize that we are all Canadians sharing a common goal and prepared to work and accept solutions whether they come from the opposite side or this side, which could help the underprivileged.

Mr. Speaker, I think that the motion we have to debate tonight, on this opposition day, provides an opportunity for those who want to go beyond the boundaries of political parties, and work for Canadians, to do so provided that they set aside their partiality and radicalism and tonight, I am prepared in a spirit of friendship and fraternity, to accept my friends on the opposite side who endeavoured to present a resolution and had the courage to state their points of view before the House.

I think the time has come for us Canadians of French expression to bring our other colleagues to the realization that not only do we have the right to express our own views but also the opportunity to form with them a united front against problems and henceforth, I am offering my cooperation to my colleagues on the opposite side. I assure them that I have listened carefully to their remarks and hope that we will be able to work together and, above all help people who expect to get from us the assistance to which they are entitled and that they won't be disappointed in the future.

● (2030)

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, it is with a great deal of interest that I take part in this debate today. I think it is most timely that this motion has been brought forward by our hon. friends in the Social Credit party.

I would like to read the first part of the motion which is as follows:

That this House notes with distress the prodigious increase in the federal, provincial and municipal debt, which will result in the shattering of our country . . .

There are a great many respected people who are seriously considering our economic position with regard to debt. Perhaps there have been times when the economic well-being of Canadians has been more endangered—for example, in the great depression of the thirties—but that was a long time ago, and we apply different standards now.

It can be said that people's expectations are the result of the economic times in which they live. At one time the economy was much more rural than our present economy, and people could almost have lived, albeit poorly, in a cashless society. To a considerable degree they found the basic necessities of food, shelter and clothing within the rural framework. However, more people now live in cities, and generations of them have no understanding of how food is grown. All they know is that it is found on grocery shelves. Some think that milk comes from factories and that housing is automatically provided by the state.

During the past 25 years—at least up until 1974—the western world had one of its most productive and tranquil periods. I read in a newspaper article some time ago that the first quarter of this century was, by and large, a reasonably good one; the second quarter was awful with depressions and wars; and the third a most tranquil and prosperous period. However, it looks as if the last quarter of this century will be more unpredictable and much more stormy.

Canada is fortunate because it has a large amount of natural resources. It is particularly fortunate to have a national oil policy. When the price of Arab oil quadrupled in 1973—and oil is very important to our economy—we were not dealt the knockout blow which the economies of western Europe and the developing countries suffered.

● (2040)

When one surveys the financial situation of this country and of its neighbours around it, it is cause for a great deal of serious thinking. Canada, being one of the most endowed nations of the world, is really turning up in much the same way as many of the Third World countries are in handling its business and handling its household affairs. I think it cannot be said better than in the December 17, 1976, issue of the Montreal *Gazette*, in which a columnist likened Canada to the improvident character, Mr. Micawber in a Charles Dickens story, who was always up to his ears in debt, always pursued by bailiffs, always hoping that something would turn up. Mr. Micawber was able to define his situation in precise terms: "Annual income twenty pounds, annual expenditure twenty pounds ought and six; result, misery." However, for Canada, he would have said: "Annual income $46 billion, annual expenditure $51 billion; result, misery." And if we do not feel the misery yet, it is because Canada is still able to borrow the $5 billion to make up the difference and, of course, we have the fact that this nation has the Quebec situation with which to deal.

The government has been paralyzed since November 15 and really does not know where it is going, because of the awesome political fact that there is in Quebec a prime minister dedicated to taking that province out of Confederation. But, to get back to our balance of payments in the foreign sphere, unless these improve we will have to take a sharp drop in our living standards to find the funds to pay the principal and interest on the money being borrowed abroad. And all of us in this House watched with a great deal of interest when Mr. Levesque was speaking to the bankers in New York where he was definitely making a pitch for continued financial support. The general comment was, "He will get his money but it will cost him two or three extra points."

The foreign debt owed by Canadians is a matter of great concern. For 1976 the Canadian merchandise trade showed a surplus of $620 million, which is considerably better than we have been able to do at any time in the past two and a half years. I believe, in fact, that it was something more than this as the figures were reported by Statistics Canada. But in Canada in the third quarter of last year, which was our best quarter for the year, we were still $700 million short for that three months. In other words, we still had to borrow to pay our way. And it does not do any good to remember that for all those people who take the sun in the far south, it is indicated that our balance in tourist trade this year will be nearly a billion dollars in the red. That is something for those who think about their suntans.

An analysis of the situation made by the Canadian Imperial Bank of Commerce indicates that Canada will have a surplus of about $1.2 billion on merchandise trade this year, but a deficit of about $5.8 billion on non-merchandise transactions. Mostly the money we must pay is principal, interest and dividends on capital previously imported, so we will end up having to borrow more than $4 billion just to balance our accounts with other countries. For 1977 the bank forecasts that things would be even worse. One of the ominous aspects of our Micawber style of handling international deficits is the way that our non-merchandise deficit is growing. Here is the picture: 1973, $3 billion; 1974, $3.8 billion; 1975, $4.7 billion; 1976, $5.8 billion, and for 1977 a forecast of $6.6 billion. Even if our balance on the merchandise side improves, we are still far behind. The deficit has more than doubled in the past four years and is still rising fast.

I mentioned previously about the deficit incurred by Canadians travelling abroad, but in fact we are borrowing heavily just to meet our current bills, and every jump in the amount we owe outside the country means a jump in the

amount we must pay in interest the next year. One effect of this borrowing and accumulating of debt abroad is to be found in the decision of the government to impose quotas on textiles. The necessity to impose quotas is the direct result of borrowing abroad, keeping the Canadian dollar at an over inflated level and hence facilitating the entrance into this country of textiles, laying off our own workers in an industry that is vulnerable. Quotas seem like an easy and logical solution, but import restrictions tend to force up consumer prices and these prices are passed off as a benefit to the textile workers, paid for by consumers.

In the long run the textile workers suffer too because the Canadian's general cost of living is his cost of living too. And protection hurts the workers because it hurts customers not only in terms of price but in terms of jobs. Trade barriers are conceived as an attempt to exploit unemployment, that is, if somebody has to be out of work let it be a textile worker in Hong Kong or the United States, but not in Canada. But in a country as dependent on international trade as Canada it is self-defeating, so that the unemployed worker in the foreign country is not now able to buy Canadian production. Production really strengthens the beggar-my-neighbour forces in every country. It persuades others to try this game of increasing exports while shutting out imports. That is what happened in the great depression of the thirties, to a large extent.

But, Mr. Speaker, it is in our relations with the Third World that we have followed them in many instances. After the election of 1972 the government, to regain its popularity, decided that the money supply should be stimulated along with a vast new array of programs. Government spending at all levels grew at the rate of 16 per cent to 20 per cent, in spite of the fact that the so-called tax reform bill gave the government coffers a huge tax increase. Canada had developed unprecedented public sector deficits for 1974-75, while the money supply grew by 120 per cent over the five years ending in 1975. It is no wonder that a phenomenal wage inflation developed. Tremendous programs were created by grandiose and extravagant public works schemes somewhat like the Kubitschek of Brazil in the 1950's.

In fact the competitive position of Canadian corporations decreased as interest rates rose. Borrowing abroad occurred at a rate of $5 billion to $6 billion a year, which was to cover the balance of payments deficit. The government moved with its controls, but this fact only covers the basic weaknesses in our financial situation, so we have in Canada the basic ingredients of a severe financial disaster—an over-valued currency sustained by continuous recourse on a vast scale to foreign credit.

I think it is significant that three or four years ago the United States was considered to be in trouble when it had a foreign trade deficit of something like $2 billion or $3 billion. We have huge budget deficits and balance of payment deficits, a largely uncontrollable public sector, a sharply declining competitive position in manufacturing, and a persistent shift of employment to unproductive and under-productive areas away from the producing areas.

And then there was the Quebec election of November 15—the election of a very able prime minister of Quebec. We all know what his aims are. We all like to believe that the election of the Parti Quebecois was due to people turning against an inefficient government. Mr. Bourassa himself, writing in *Le Monde,* has said that he regarded the province of Quebec as part of the Canadian common market. Deep-seated structural and political strains are showing in Canada.

Canada is obviously not the only country in trouble. Britain, Italy and Mexico are also in a position worse than in Canada. But they have not nearly the capabilities of production in their economies that Canada has. Canada's foreign debt is about $28 billion; the United Kingdom and Italy's debts are $25 billion and $22 billion. Then there are the non-oil producing poor countries at $170 billion, with some already in default and many more that have been quietly rescheduling their debts. The Communist bloc is rumoured to be in debt to the west for $40 billion, with North Korea reporting a default of $2.1 billion. The president of North Korea has indicated that he sees no reason why this money should be paid. This year there might not be enough money left in the international economy to finance all these debts, since the International Monetary Fund will be cleaned out to take care of the United Kingdom and Mexican loans.

● (2050)

The world economy, Mr. Speaker, seems to be in the terminal phase of a supercycle; and, just as a person or firm, on becoming overly-burdened with debt and reaching an excessively illiquid position finds it difficult to function, so does an economy in similar circumstances find it difficult to function. These supercycles to which I referred seem very likely to create severe disruptions in the world. There could be widespread rejection of debt payments, and economic troubles, inflationary as well as deflationary, could well come to the fore.

The government could do several things. For example, it could end controls. Even the Minister of Finance (Mr. Macdonald) has talked about the flight from investment in the Canadian economy. Our corporations are uncertain about the investment decisions they should take. The Foreign Investment Review Board, while perhaps not a toothless tiger, has certainly given the impression abroad that Canada does not want foreign investment. This gives economic nationalists, who preach that we should borrow and not invite foreign investment, something to think about. Obviously interest on borrowed money must be paid, no matter what the level of the economy may be, whereas foreign money coming in as equity money must take its lumps. Obviously dividends paid to those outside the country will be reduced if a corporation is not making money.

Although our economic position is serious, the Prime Minister (Mr. Trudeau) and the people of Canada must address themselves to the question of national unity. The Prime Minister will have his chance to do so when he addresses the Congress of the United States in one week. He has said that he

does not plan in his address to reply to Mr. Levesque's speech made to the Economic Club of New York a few weeks ago. The prospect of talking about the many issues affecting our two nations may be a most appealing one for the Prime Minister. Subjects which could be raised include the effect of oil and gas sales, the proposed pipeline, the new American tax on conventions held in Canada, and the CRTCs bickering as to whether we should delete certain U.S. programs from Canadian television. However, the U.S. Congress is made up of people from all walks of life, just as this House is. They will want to know about those things which worry them, those things about which their constituents at home are worried. No doubt they are wondering what is to happen to Canada politically.

Since November 15 the government has shown no indication that it knows where it is going. It has initiated no new stances for dealing with the problems of Quebec. The Prime Minister said that he was willing to live with an 1867 constitution, but would change it if the provinces want more flexibility. He did not spell out what he means by "flexibility." As a result, we are left in the dark. Probably the Prime Minister himself did not know. Nevertheless, when the Prime Minister addresses the Congress of the United States he will have to answer Mr. Levesque and announce his plans for keeping this country together. Will he give Congress the details of what he has in mind, or will he merely leave the impression that Quebec independence may be inevitable?

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I am very pleased to participate in the debate on this motion. After examining its contents, I realize that this is an appropriate time to discuss certain matters. With this country, the provinces and the municipalities going deeper into debt without much chance of coming out of it under our present system, I believe it is worthwhile at some point for the representatives of the Canadian people to try and find a solution to that problem.

I was listening earlier to the previous speakers and I was pleased to note that those I heard seem to be much more open than in the past to new ideas, suggestions, more willing to consider suggestions on an eventual monetary reform.

It is obvious that we cannot think of keeping on running things under a system based on increasing indebtedness. Indeed, none of us Canadians manage our business, our budgets, as the government does. There are laws, regulations which compel a person going into debt to pay his debts at a certain point—and that is normal—that is our way of doing things. I find that normal. You must try not to go deeper into debt than you can afford. The government, that should be showing the way through its example to the people of this country, is running into debt in a disorderly fashion. They are forced to admit that they are no longer even thinking about paying back our national debt. All they can do is to try and find the means to pay the interest on the debt. But that is nonsense. If any individual in Canada could not manage after a while to pay the interest on his debts, what would happen to him? That is what this country is doing.

[Mr. Ritchie.]

• (2100)

As representatives elected to the Canadian House of Commons, we are not seriously considering a way out. My hon. colleague, earlier, acknowledged what I have heard hundreds of times, that we are privileged to be living in a rich country. The more learned would add: Immensely rich! How is it that there are so many thousands of Canadians who are poor? That is sheer nonsense. Members of this House are sometimes surprised, or pretend to be, that the Creditistes should so often talk about money, about monetary reform but that is the source of our concern. Ask anyone, at about any time, whether during the day he does not think more often about money than about God, his Creator! Ask him that question and see how he does answer. In fact, you do not even have to ask anyone that question, address it to yourself and you will see that in the course of a day, you think more often about money than about your Creator.

And unfortunately, when the time comes to bring in the reform in this field, the representatives elected by the people to give Canada a sound administration seem to be looking for an army of economists. Governments have officials called jugglers, who are well paid to juggle with figures and to try and find a way out of the present system. They fail to come up with anything. Why? Because, as we see it and as we suggest, they are not looking in the right places. It is common knowledge that all that is decided and controlled—you will all agree—many great social reforms, many fine programs to improve the general conditions of our Canadian society, are not carried out for lack of money.

There was the Local Initiative Program. Today, we have the Canada Works and the Young Canada Works programs. Government employees have laboured at finding these formulas which should help fight unemployment. But again, the minister, probably with the best of intent, tells us that these grants will be given out by constituency and we know from the start that the sums allowed to each constituency will not be high enough to carry out many of the projects already planned because of an early publicity. Surely, the government has encouraged people to prepare projects. Well, they have prepared them and we will once more be dealing with these new programs, with a host of fine and practical projects, which are feasible because we have the manpower and the materials required but which will not be accepted because they will run out of funds.

There is the problem again. That is why I was glad tonight to hear hon. members say how good it is for this House to take time to study the proposals made either by Creditistes or by members of other parties, provided they are made in all sincerity—and I do not think that members of the opposition have any doubt about it—for the purpose of bringing about better conditions in Canada. And then, that was the main purpose of the motion; we referred to public and private capital, to the debt incurred because interest rates have increased fourfold, and this is altogether too notorious, since everyone knows that when a municipality has to borrow in order to build a mile of sidewalks, why should this municipali-

ty be required to pay the costs for three or three and a half miles?

If we were certain that under that system, we would pay for one mile of sidewalk, we would use it and the money would be repaid. But to get a single mile of sidewalk, we have to pay for three and a half miles; two and a half miles for the financing costs and one mile for the municipality. This makes no sense and this is why we try to make suggestions.

I have also prepared something that I would like to note in passing. In our modern world, we all realize the difference between private and public capital. It is important for people to try to understand that. It is easy to understand that money which belongs to someone is private capital. Income from work, from the operation of a business or from some type of commercial activity is private capital.

When this capital is put into a bank and lent to someone else, it is supposed to bear a reasonable interest, just like a worker is entitled to reasonable wages. Public capital is not at all the same thing. Money used for building roads, bridges, water systems, schools or sidewalks, in other words everything that is meant for the general public and which does not make some profit for someone in particular, that is most federal, provincial, municipal and school taxes, comes into this category since this makes up a large part of public capital. In a sensible system, we would not use private capital to invest in public works any more than we would use public capital to invest in private enterprise. In a well-balanced economy, private capital would be invested in private enterprise and public bodies would use the public capital required for various public developments.

Therefore, why must governments borrow money and pay interest on capital used for public purposes and which do not bring any profit to anyone? How can a public agency pay interest if it does not make any profit? To be able to pay interest, it is necessary to make a profit because if we do not make a profit and we have to pay interest, our debts will automatically accumulate.

Under the present system, governments borrow money and pay high interests to build schools, roads, bridges or sidewalks. This is ridiculous and stupid. Many people who do not understand the present monetary system but who keep saying that Social Credit is too complicated, will wonder: What is there to do? How can those pyramids of unpaid and unpayable debts be checked under the present system? Creditistes have been saying it for over 30 years, and all those who removed the red, blue or any other color, bandages they had over their eyes understand that the federal government through the Bank of Canada, should make an appropriate credit device available to provincial governments, municipal administrations, and school boards, that would enable them to obtain the required capital at administrative costs, namely at about 1 or one and one-quarter per cent, which they could use to develop public services.

If the supporters of the present system cannot prove that the sum of $100,000 borrowed and invested to build a school, a bridge or a road in 1976 or 1977, will yield the value of two schools, two bridges or two roads in 20 years, we are twice right in our contention that the system is upside down, since the interests we pay amount to two and sometimes three times the value of such schools, bridges and roads or any other public works.

Then, as I said, if you cannot prove that the yield will be equal to the value of two or three schools within three years, then time has definitely come for you to open your minds and wonder if a solution could not be found. We did find one, and are suggesting it to you. You do not have to accept it, but if you do not and if we continue to live by this crazy system, we will say: for Pete's sake, try and find something, if you will not accept our suggestions.

• (2110)

We are paying for two or three schools, for two or three bridges, for two or three highways, but all we own is one school, one bridge and one highway; one school, one bridge and one highway belong to us while two schools, two bridges and two highways belong to the finance companies. That makes it unreal.

Those who defend the system blandly admit that since they will not follow the philosophy of the Social Credit party, they have to go through the channels of the financial system whose "big shots" resort to boisterous publicity in order not to see the light of common sense.

An hon. Member: A lamp without oil.

Mr. Dionne (Kamouraska): The kind of banking operations that have been going on for too long remind us of this patient who, when being asked what kind of operation he preferred, first class or second class, and enquiring about the difference between the two was told that, in first class operations new instruments were used with old assistants in attendance, whereas, in second class operations new assistants were in attendance and old instruments were used. Needless to say a patient cannot easily make up his mind in such a situation.

In the banking legislation field, there are novices who seem to be reasonably well disposed, but even in this age of electronics and automation, they go on using instruments with stripped gears. This is why the financial machine is squeaking. Those responsible for its operation seem to forget putting oil in the proper places to prevent the kind of bankruptcy which is to come sooner or later according to all the impartial observers.

There is concern about the possibility of fraudulent bankruptcies. But the people responsible lack the courage needed to take the necessary steps to help change the situation, for fear of hindering some "big shots" that go on getting fatter on the system. In normal times, products are always available, at least the essential ones, when one can afford them.

Let us consider housing. Various organizations are now dealing with that problem and what are the results? They are asking the government for labour credit, that is loans to families looking for accommodation. What does that mean? There is no shortage of space, lumber, stone, workers, techni-

cians to build, but there is a shortage of money. You only have to lend the money and houses will be built. It is the same in other areas. Give money to the head of a family and you will see if he can find something else besides rags or used clothes for his children.

Surely, it is out of the question that money would be provided for non-existent commodities, but only enough money to purchase available goods necessary to meet the needs. We often hear nowadays financiers and politicians who maintain that there is too much money around. Well yes, some people say so at times. However, when visiting people, there are few who will admit that they have more money than they need.

Such facts are acknowledged everywhere. So it is hard to understand why the governments keep a portion of every worker's pay. Income tax has been debated at length lately. The government is facing a shortage of money, and they suck it right out of the worker's pay cheque and then . . .

An hon. Member: Out of the pensioner's cheque!

Mr. Dionne (Kamouraska): . . . everywhere, everywhere it can take a bite.

And yet the working families so badly need all their income to meet their very normal requirements. How can there be too much money around?

Oh yes, we sometimes hear some members make fine speeches on the monetary reform, who make comparisons between the money supply and the excess money in circulation. If there really is too much money in circulation, it is where there is too much of it that the government should go and get it, not where there is not enough. Is that clear enough? There is a shortage of money, but money is a human institution. As soon as the problem boils down to a question of money, people become frozen, helpless, as though overcome by the weather.

Of course, what can you do against the weather, but money is something else, it is possible to get some if you want to. But no, we remain idle, we do nothing when faced with an unbearable situation. What are we waiting for? A revolution, strikes everywhere, rampant disorder? I do not know what we are waiting for, but I am afraid we might be waiting too long. We have no power over the sun or the rain, and many who consider themselves as educated take . . .

Mr. Deputy Speaker: Order, please. I regret to have to interrupt the hon. member, but his allotted time has expired. The hon. member may go on with his speech only with the unanimous consent of the House. Is there unanimous consent to allow the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. Dionne (Kamouraska): I thank my colleagues for giving me a few extra minutes to complete my remarks.

I was saying that we have no power over the rain and many who consider themselves as educated take for granted that one has no control over money, over the lack of money, over the lack of means of payment. Well, there are people who have come to think thus. Yet, money is not God's but man's creation. It is very important that people try to understand that. Where does money come from? How is it that it disrupts all economic activity at a given time? It is controlled by men, so why not take a look, a real hard look in that direction? We could certainly find out something there. There was no money on earth at the beginning of the world. Can somebody say anything to the contrary? In definite and fixed quantities, by a decree of God or by the forces of nature? Nothing of the sort. Whether it be metal, paper, or a mere credit transfer in bank books, all this money only exists because it was made and put into circulation somewhere by an act of man. And when the money supply increases or decreases in a country, it is because some people, men or groups of men, make more money or withdraw some from circulation. That is why it increases, decreases or becomes scarce at a given time.

Now, let us try to find out who those men are, let us try to understand and to see if there is some way of controlling the power of those men. All this is pure nonsense. Money comes from people who have the power to make it. This is the first thing we must understand. People should first become convinced of that. After that, if we want to remove the financial barriers between the goods and the needs of the people, we have to find out who controls the means, we have to find the money. That is what has to be considered.

The second thing that must be learned is that money is the easiest thing in the world to produce in the required quantities. That is what is surprising. I am always astonished to see that people do not try to understand why. It is much more difficult to grow a sack of potatoes than to make $5! Come on! To produce a sack of potatoes one has to think about it 12 months ahead of time. One needs a good crop, that has to be kept in the cellar if it is to sprout.

• (2120)

It has to be planted in the right place, cultivated, cared for, sprayed to avoid the potato beetle, and it takes all this work to produce a bag of potatoes. Nobody is afraid of running short of potatoes but everybody is afraid of running short of money; it is the easiest thing to do. Really, I am happy tonight to find that some feel that the time has come to try and find out what is wrong in the monetary field.

An hon. Member: The world is sick!

Mr. Dionne (Kamouraska): Unfortunately, there are too many doctors around the patient. It must be kept in mind that when Canada declared war in September 1939, nobody had had any money in this country in the last ten years, from the government to individuals. The crisis was due to a shortage of money. There were some good executives at that time. At least, many people believed they were good. There were no Canada works program nor LIP program, but various solutions were tried out with the funds available. The answer given was: There is no money.

All of a sudden, money became plentiful overnight. No money shortage throughout the war. Did we see those striking

examples? Money came by millions, even by billions, as much as it was needed, and this in every country at war. Where did that money come from? Surely not by opening gold mines, because workers were not directed towards gold mines, but towards armies and ammunition plants. Money came by a stroke of the pen, by the simple decision to make it come. Those are the people you ought to try to find, my friends! With that, if all together we manage to find those who decide when the money should come and make them take out their pen, and if we draft legislation to make them act at the right time, we shall see that with Local Initiative Programs and Canada Works and Youth Canada Works programs, we will be able to resolve all those problems, and the number of unemployed will decrease.

This will wrong nobody, have no fear about it. This is not dangerous for inflation. Inflation we have, and those people control their pens and nobody seems willing to control them. Inflation we have, and inflation we fight against. When we try to jugulate—that again is another word which has become very in lately—inflation, unemployment appears and then we are dealing with two evil-minded twins. We cannot find any solution.

I most sincerely think it is about time to find a solution. I suggest ours. As soon as we understand it, we can no longer say we are short of money when money alone will move goods from shelves into households. Lack of money then is a criminal liability fraught with consequences. If we only thought about all the misery there is here in Canada! Fairly respectable people looked into the problem of poverty for months and they concluded that there were thousands of poor in Canada.

Poor people suffer miseries and privations. We are responsible. Then how come we who earn good salaries have ideal working conditions? I know what it is to chop pulpwood for 50 cents a cord. I know what it is to work for 50 cents a day. Today I am very happy with my living conditions but all those who enjoy the better things in life should never forget that some people live in misery because of the hardships we cause them by not considering the situation as it is. No government in wartime—I challenge anyone to deny this—would have agreed to lay off its soldiers or close its ammunition plants because of a lack of money. How could those same governments let individuals and families, by the hundreds,—that is going on even now—suffer from hunger and sickness, lose their homes and farms merely for lack of money? Not so long ago, a citizen of my area put this question to me which I find brilliant. He was speaking to me about the Anti-Inflation Act. He said: I am watching the implementation of that famous act to some extent, though I have not read it and I would like you to try and find out whether the board and its many civil servants has at some time put a break on the increase in taxes, municipal, school or other; so try to find out about that. That would be important because when taxes go up here, naturally it costs us more to keep up the house, to send our children to school. So the Anti-Inflation Board should also control tax increases.

In closing, I thank the Chair for having extended my time. To my mind, the country must not buy money. That fact must be recognized. It must create it itself. It may be a bit more difficult, but you'll see how easy it is. It is the sovereign right of the state. It belongs to us. It is a matter of using it instead of allowing ourselves to be controlled by a small team of bankers who decide whether people will eat three or four times a day. It is easy to see that does not make sense. A country cannot be managed if it does not use its sovereign right. The economy is distorted, turned upside down, damaged and that is what we have today.

I trust some of my suggestions will be followed, and that studies will be encouraged in that sense, that an attempt will be made to understand what ails that infamous monetary system, why we are controlled by a group of people who deprive everyone; even though Canada is rich, as I said at the beginning, tremendously rich, it is inhabited by people a high percentage of whom are poor in the midst of that wealth.

Mr. Claude Tessier (Compton): Mr. Speaker, first, let me tell you how pleased I am to take part in this debate because as concerns the indebtedness of governments, public bodies and municipalities, I share the same concern as my colleagues of the Social Credit party, although I would not propose the same solutions which I find simplistic. I may perhaps echo an old story that we have been hearing back home for 12 years and that I am still hearing in the House after more than two years.

I wish to point out the difference between an opposition member who can always ask for more regardless of cost and a government member who must decide on priorities and appropriate and redistribute public funds. I blame my Creditistes colleagues for exploiting the people's credibility by harping on the same string, but to be more positive, I would rather urge them to go deeper in search of solutions. I feel that for my colleagues opposite, it is a marketing problem, and they should understand that the House of Commons is the place where it is most difficult to understand, first because most people do not buy anything for want of money and second because those who would normally buy have quite different demands, as their mandate is quite different. However, I agree that we stop to think and try to find means to rectify a situation which could become catastrophic when I consider that the federal government had a deficit of some $4 billion last year, that the province of Quebec alone had a deficit of more than $1 billion and that my own little town with a population of 7,000 and with a budget of $1.7 billion might have an annual deficit of nearly $100,000 as things are. But if this discussion is just an oral dispute, there will be two causes for the catastrophe instead of one. I think we can come back to the proposal of our colleague, the hon. member for Kamouraska (Mr. Dionne), who told us we should look at our own budgets; there is certainly a way to face debts very efficiently, namely by deciding not to run into debt. This gives us the advantage of not having to pay interests which we find extravagant.

● (2130)

Therefore we should make sure that our constituents are committed to such a philosophy because there lies the only possible solution. Everything depends on the ability to pay of the Canadian taxpayers and on their free choice, insofar as they can make a choice. Therefore, it becomes a matter of conscience and knowledge, a matter of priority and personal choice. Thus what we must protect is the ability of the citizen to make a choice through adequate information, a participatory system and, finally, through real participation to the decision making process. The government should respect his mandate and, the opposition should perhaps see to it that the government is doing so, instead of putting words in other people's mouth to please a few.

I should like to say, however, that the matter raised by the Social Credit has merit and that together we should try to find possible solution. Indeed, it is useful and even absolutely necessary that thogether we should consider the financial position of our country; I would even go as far as to that what the opposition did today might be useful, provided that the proposed solution is understandable and intelligent, and the motion, in its present form, puzzles me. One thing is sure the phenomenal increase of the debt—be it federal, provincial, municipal, of the school boards and even of many taxpayers—must stop because the day of reckoning will come soon and the money will have to be available.

I think that, even in the most honorable and generous schemes, it is a problem which has to be solved right from the start and the government should see to it that these restrictions and reasonable request are accepted by the great majority of the people.

There is no magic formula. If goods and services are purchased, they will have to be paid. And if our liberalism can be faulted, it is for going too far, for getting people into the habit of requesting and receiving ever more. As a rule, they were always asking for more and good governments were those which were giving more. At present, a good government is the most reasonable, the one which will make people think. Why? Because otherwise they will all become slaves to their wishes, because our resources will exceed our ability to pay. And this is how rich people grow ever richer, and the poor who do not know how to ask but are only able to wait are becoming poorer in comparison with the rich.

I believe all Canadians can make that effort to think and understand because to protect oneself is also to protect others. Mr. Speaker, I wish to deal for a few moments with taxation at the municipal level. Surely we all agree that this is a real disaster, but I want to point out that the debt at the municipal level is neither a prerogative nor an initiative of the federal government. The fact is, however, that the taxation problem at the municipal level is such that we must absolutely find a solution and I think this initiative should come first from the provincial jurisdiction, and this is more than just devising a balanced budget formula.

The basic problem at the municipal level, and I speak from experience as a mayor, is that municipal governments are too dependant upon funds on which they have no control. I will quote as an example my own municipal budget which I had to administer and which amounts to some $1,700,000. In this budget, taxes amount to $726,000, compensation accounts for more than $56,000. exchanges of services for $280,000, local revenues total $400,000 but there are also revenues from outside, such as the sales tax which represents $494,000 and grants for $106,000. Therefore you will note that out of a budget of $1.7 million, $601,000 came from outside the municipality and in most cases, these are revenues which vary from year to year, and therefore which we cannot take for granted.

What is wrong is that people get used to receiving and finally they get the impression that everything is due to them. But we also create a state of dependence which changes from year to year. In addition there is the matter of bookkeeping; people cannot unravel figures from year to year and then they start having doubts about their administration.

To conclude, in municipal taxation there is only one accountant for the municipality, but as everybody is a rate payer the people should know why they pay and require that the money be used for the purposes for which they pay. It's a matter of discharging our responsibilities. There will be room for changes from time to time, always according to the wishes of the population—and the regulations of various systems and their size can change the regulations themselves.

● (2140)

At the present time, when we talk about Quebec and Canada, we should be careful not to confuse the issues. There is the government of Quebec, which assumes power in time and space. There are also the intentions of the P.Q., I mean the Parti Québecois, to separate Quebec, which is not included in what we consider the mandate of the Levesque government, namely the good management of Quebec affairs.

In my opinion, my colleague from Roberval (Mr. Gauthier) has perfectly managed to confuse all the issues. His party should clearly explain its position. Do they want the separation of Quebec, do they want to join that movement? If so, let there be no confusion. If not, they should be responsible and honest enough to say yes to Canada. We should pay tribute to men like Robert Stanfield and Réal Caouette who were also members of the opposition but who have always put Canada's unity above petty, partisan considerations and if the week-end reports had any basis I think that the present leader should heed this warning. Besides, Mr. Speaker, I would have liked more details from the opposition, and particularly from the Social Credit party of Canada, as far as the open attack against the Department of Regional Economic Expansion is concerned. To my mind, DREE, though, at the beginning, it was created to solve regional disparities, is the only instrument we now have, especially in rural areas, to help industries.

This is the question I ask: do we want to help industries in rural areas? Yes or no? Of course, I can see that the risks are greater in our areas because business people are obviously fewer, I think that they have as much merit, if not more, as the

experienced industrialists of the great urban areas. Should we keep on trusting the small businessman trying to assess the risks, but should we continue to help the industries in our rural areas? To say that it is merely Liberal patronage is another gratuitous statement, and if there is to be some discussion, it will be about the application of the principle of assistance to industry, wherever it may be in Canada. Questions may be asked, but if charges are laid, they should be substantiated.

Secondly, in the specific area of health and welfare, particularly the guaranteed income for the handicapped—and I wish it would come as soon as possible—are we prepared to say yes or no? But the ever recurring question is: where will the money come from? More taxes, fewer services, other priorities. I also heard my colleagues across the way talk about increased pensions, pensions at 60, pensions at 50, pensions to spouses, and so on. Such aims are most commendable, but one thing is certain: where will that money come from? We agree on finding it together, but please, do not delude yourselves into thinking that services will be maintained without the required money, if not through further taxes or readjustments within the existing systems.

Third, with respect to housing there is talk, for example, of low cost rental units, particularly for elderly people or for the handicapped. Very complicated calculations are made to show how much buildings will cost. We are told that this building will pay for itself twice, three times, four and a half times. I think the real question to be asked is: are the Canadian people now prepared to provide that service for older people or the handicapped? If they are prepared to pay for such a service, then it might be possible and desirable to have the necessary calculations made in order to determine what such projects actually cost. For my part, I consider that people are now in favour of projects such as low cost rental units, homes for older people, even hospitals, schools. We are talking about a choice; this is a mandate we have to carry out and we intend to stand by it.

Fourth, I should also like to deal with agriculture, and particularly the milk policy that was severely criticized by the opposition and the press during the past year. It is a fact that in 1975-76, while the operating budget for the policy had been set at approximately $275 million, the cost to the government was in the order of $535 million. The government had no choice, it was a necessity, but some $535 million still had to be found.

In 1976-77, normally, the budget should have been in the order of $290 million, but we knew that we had to pay surpluses. The budget had been set at $631 million and during the year the government agreed to add an additional $10 million which brought the budget to a record $641 million in support of the milk industry as well as farming and rural economies.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member, but I must inform him that his time has expired. Nevertheless, he may continue if he has unanimous consent. Is there consent?

Some hon. Members: Agreed.

Mr. Tessier: Thank you, Mr. Speaker. I also thank the House for that courtesy. I should like to pursue the matter I was discussing.

Yet, if we analyze the dairy policy, we know that the industry has taken advantage of the situation, and when I say the industry, I am talking about all the partners making up the dairy industry of Canada. The unions have also played foul with the rules, and to protect the economy of rural areas as well as milk producers, we had to pay a steep price. Some questions remain to be asked, and I ask them as follows: will the government have to pay milk producers for tractors that cost such fantastic prices as $25,000? Is that our responsibility? Yet we know it happens. Some producers have two, three, even four tractors or more. Once again, will the government have to give in to such well-organized blackmail, to help the dairy industry? Once again, the answer must come from the base, because I consider that among ordinary people common sense is still the best rule. This answer from the base must be reasonable and the government must insist on a reasonable answer.

● (2150)

Fifth, I would like to talk about job creation. This is of course a sensitive matter. We have talked earlier about the Local Initiative Program, about Youth Canada Works and Canada Works. In my opinion, this project is questionable because, to my mind, the creation of temporary employment is itself questionable. But are we ready to change from this concept of temporary job creation to a concept of permanent employment? If we choose to create permanent jobs, does this mean that we shall have to subsidize the industry directly? I believe my friends will agree that in the rural regions, when we talk about effective job creation, we do not talk about creating permanent employment—and until I have some evidence to the contrary, I shall always consider that no one equals big businessmen when it comes to creating permanent jobs! Does this really mean that the government will agree to find the required sums? Where, and instead of what priority?

In reality, it is always the same question. It is possible to have a multitude of projects. I believe that if after honest and sincere reflection we can come to a general consensus in the House, as my colleague said earlier, I believe it is possible to find solutions if we can forget party politics, and particularly partisan politics.

School boards have also been mentioned. I think we must be honest enough to admit once again that the federal government as such has no responsibility in this area, but we must also note that to reduce the powers of the school boards, a relationship dependency has been created towards the provincial government and the cost of this dependency has been excessive centralization and a nearly complete loss of power on the part of school boards themselves. The aim has been to subsidize furniture and boxes called "schools", but the rest has been completely forgotten.

Moreover, the efforts of the last few months have been aimed at saving the furniture, at trying to make political capital. Wage increases have been granted and the anti-inflation program has even been completely rejected in Quebec to allow these wage increases because of which, today, school boards are in such a situation that they are virtually unable to operate. This is why school boards still have to face strikes, like in the eastern townships. The goal was met. This dependency is a determinant factor, but today there still is the possibility of regulating at the provincial level. But as concerns school boards, where shall we find the required funds?

I feel that we, on this side of the House, must not delve upon this whole matter of the Bank of Canada but, like the others, we must take the time to consider the control of public finances and we are ready to do so, by reasonable and acceptable means. It is as much the responsibility of the opposition as it is ours and we are ready to assume it.

In conclusion, I would add that it is important to curb expenses and severely restrict the services we have become accustomed to in order to reshuffle priorities. Otherwise we will have to pay and since the paying capacity of the government, public agencies and individuals is limited, we will necessarily have to learn or relearn how to live within our means.

Mr. André Fortin (Lotbinière): Mr. Speaker, in the five minutes or so that are left, I would like, with your permission, to draw a very short conclusion from today's debate, free of all political partisanship. Having heard the hon. member for Compton (Mr. Tessier) and the hon. member for Lapointe (Mr. Marceau) it seems to me that our message got through.

Mr. Speaker, I would also like to thank very briefly my colleague, the hon. member for Bellechasse (Mr. Lambert) and commend him for bringing forth this motion. My colleague, the hon. member for Roberval (Mr. Gauthier) has touched upon the constitutional aspect of the financial problems of our country. My colleague, the hon. member for Shefford (Mr. Rondeau) dealt with the role of public and private assets with regards to the dealings of the House committees, to show that the idea we are touching upon today follows modern problems that have been around for a long time and my colleague, the hon. member for Kamouraska (Mr. Dionne) has defined the role of public and private assets in our country in a very efficient and vivid way.

In this respect we have heard the Minister of Supply and Services (Mr. Goyer) claim that provinces had enough with one-fifth per cent of federal general revenues. We have heard the hon. member for Lapointe (Mr. Marceau) say that time has come to sit down, leave aside any partisan spirit and consider the increase in the debt of our public bodies at federal, provincial or municipal levels, as it is a major problem. We have just heard our colleague from Compton (Mr. Tessier) raise the same question: Where are we going to find the money?

Mr. Speaker, the Social Crediters did not ask for any project. Today our party considered in a very positive way a problem which confronts every Canadian municipality in every province of Canada, this Canada in which we believe indeed but, in answer to the hon. member for Compton, not at any cost. Today we moved a motion proposing that the Bank of Canada be used to intervene, not in the private sector but in the public sector so as to put an end to this endless process by which we are constantly running deeper into debt.

Mr. Speaker, before concluding my remarks I would like to give an example which seems fundamental to me. The House of Commons has two problems to solve as soon as possible. First the financing of our public sector at municipal, provincial and federal levels. One has only to recall the successive failures of the federal-provincial conferences of finance ministers and of the first ministers to see how urgent it is to find a solution to this question. The second priority for the House to deal with is the question of the unity of our country, the Canadian unity. For our party these are two related questions and they are deeply linked together. We cannot pretend to rewrite our constitution while preserving a system for financing the public sector which was conceived a hundred years ago.

Mr. Speaker, this is a priority, so we repeat the proposal we made today that the government positively consider using the Bank of Canada to help provinces and municipalities.

The Acting Speaker (Mr. Ethier): Order, please. It being ten o'clock, it is my duty to inform the House that, pursuant to section 11 of Standing Order 58, the proceedings under the motion have expired.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

EXTERNAL AFFAIRS—GARRISON DIVERSION—PROPOSED TRUST FUND TO PAY FOR ALTERATIONS—ALTERNATE SOURCE OF WATER FOR PORTAGE LA PRAIRIE

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, as the Prime Minister (Mr. Trudeau) is leaving for the United States next week to meet with President Carter, I wish to make one final plea that he include the Garrison diversion project on his agenda and again request of the President that the United States stop work on parts of the Garrison project, namely, the Lonetree Reservoir and Velva Canal, the two sections of the project that will affect Canada and pollute Canadian waters.

This matter has been raised in the House dozens and dozens of times. The misleading answers we have received from the Prime Minister have been most disturbing, as is the lack of positive action by the government to request assurances from the United States government that Manitoba is protected. Last week the Prime Minister was asked if he would include the Garrison diversion project on his agenda. He gave a most

curious answer, stating in part, as reported at page 2775 of *Hansard* for February 7, 1977, that:

● (2200)

The hon. member is aware that that report has come out now and is before the IJC and is favourable to Canada.

It is not at all favourable to Canada. It calls for $50 million worth of projects to be changed in the diversion unit. I do not know how that can be considered as favourable to Canada. The Prime Minister went on to say:

We are expecting that the IJC will accept the conclusion of the report.

I do not know what the Prime Minister means when he says the IJC will accept the conclusion of the report. The IJC simply makes a report and presents it to both countries. It holds hearings. The IJC has no authority to force either country to take action. Instead of receiving answers from the Prime Minister to indicate that he will discuss the matter with the president and make certain that Manitoba is protected, we receive evasive, misleading answers.

Last week I asked the Prime Minister if, since the United States is ignoring the $1.2 million IJC study and continuing with two aspects of the project which will affect Manitoba waters, the Prime Minister would negotiate with the president to place $50 million in a trust fund, to allow for the alterations needed to the project. I also asked that a timetable be established for the work necessary on projects such as the $6 million alternate water supply which will be needed for the city of Portage la Prairie.

The northern Manitoba Commercial Fisherman's Association has also made representations to President Carter. In a letter sent to the president last week they stated that by 1980 the effects of the appearance of alien fish species into Manitoba water systems from the Missouri River watershed could result in a net loss of $5.2 million a year to Manitoba's commercial fishermen.

You can see that this is a matter for concern, Mr. Speaker, why we are asking for straightforward answers and why we ask the Prime Minister to raise this question with President Carter next week.

Another matter of concern has to do with the fact that the government of Canada, in a note it sent to the United States in October, 1976, requested a specific moratorium on Lonetree. This request has not been answered by the State Department.

I point out that Congressman Dante Facell, chairman of the Subcommittee on International Political and Military Affairs and a member of the Committee on International Relations was concerned about the fact that the request by Canada has not been answered by the Department of State. All of this leads us to believe that present construction work is a breach of the promises and of faith between the two countries.

Lastly, I point out that the North Dakota legislature has been asking Congress to accelerate funding which would further that breach. It is a matter of concern that anyone should be asking for further funding of this project when the IJC report stated that modifications should be made to that project.

I am asking the Prime Minister to request the president to establish a trust fund which will allow for the $50 million to be spent on alterations which would cover such items as the McClusky canal fish screen modifications, which would cost $2 million; the installation of works to remove wasteways, which would cost $22 million; the Lonetree outlet works and filtration outlet, which would cost $1.9 million; the sand filtration involving the Velva Canal, which would cost $9 million; additional costs for membrane lining for the Velva Canada Canal, which would cost $14 million. In addition, there will be a need for an alternate water supply for the city of Souris; that will cost $1.5 million. As I said earlier, it will cost $6 million to establish an alternate water supply for the city of Portage la Prairie. As well, additional cost will be incurred every year for operating this water plant.

Work is being done on the Garrison diversion project, but we have no timetable and no idea when it will affect Canadian waters. They keep digging and we keep asking, but we only get evasive answers.

The IJC has concluded that the Garrison diversion unit, as envisaged, would have adverse impacts on water uses in Canada. These effects arise primarily from effects on water quantity, water quality and the biological resources of Manitoba. The board has recognized that there are also potential benefits. We do not know what they are. They have not been spelled out. Alterations to the GDU for the purpose of relieving or eliminating some of the impacts are practical. Measures which might be taken in Canada to mitigate impacts may deserve further study. While they are digging, the IJC is telling us we need further studies. This is why I am once again requesting that the Prime Minister make a firm commitment that he will discuss this further with the President of the United States next week.

[*Translation*]

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, on January 25, 1977, during adjournment proceedings, I had the opportunity to answer a question put by the hon. member for Selkirk (Mr. Whiteway) on the same problem, the Garrison River diversion project. However, the aspect involved was rather the tabling of the IJC's report and the possibility of a work delay.

On the matter of the hon. member's suggestion . . .

[*English*]

I would like to clarify at the outset, once again, that the report which was made public on January 11 and was referred to in the House, is not the report by the IJC to the governments on the Garrison Diversion Unit, but the report by the International Garrison Diversion Study Board to the IJC. The report is currently being studied by the IJC itself and will be the subject of public hearings in March in Manitoba and North Dakota. The IJC is expected to submit its own report to governments in June, 1977.

The hon. member for Winnipeg South Centre (Mr. McKenzie) has suggested that the Prime Minister (Mr. Trudeau) negotiate with President Carter with a view to placing $50 million in a trust fund to allow for necessary alterations to the project and to establishing a timetable for the work on such alteration. Such a course of action would not serve Canada's interest. It would indeed prejudge the conclusions that will be reached by the Canadian government on the board's recommendations, and the subsequent recommendations to governments by the commission, as it would involve an assumption that if these recommendations concerning necessary alterations to the project, entailing expenses of $57 million, were implemented, the Garrison diversion project would be acceptable to Canada. Neither the IJC itself nor the Canadian government have yet reached conclusions on the adequacy of the board's recommendations. The government, therefore, does not intend to undertake specific negotiations with the U.S. before both governments have received, and had the opportunity to consider fully the IJC's own report and recommendations.

Finally, I would like to correct the impression of the hon. member from Winnipeg South Centre that the U.S. is now proceeding with work on the Lonetree and Velva Canal sections of the project. At North Dakota legislative hearings held on January 27 on a resolution related to Garrison, Mr. W. Jamison, the manager of the project, stressed that no construction contracts for the Lonetree Reservoir would be awarded until the State Department answers the October 12 Canadian diplomatic note. As for the Velva Canal, its construction is not scheduled to begin until after 1982.

[*Translation*]

I can assure the hon. member that the problem will be raised by the Prime Minister during his visit with President Carter, and the Prime Minister will have ample opportunity to completely inform the president of Canada's concerns with the project.

[*English*]

NATIONAL DEFENCE—REQUEST THAT MINISTER VISIT EDMONTON TO EXPLAIN RELOCATION OF AIRBORNE REGIMENT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, originally I addressed this question to the Minister of National Defence (Mr. Danson) as one member from Edmonton who is very concerned. I expressed grave concern at the sort of non-information and reticence of the minister, and the absolute reticence of the Chief of Defence Staff to discuss the matter of the proposed relocation of the Canadian Airborne Regiment from the Edmonton training area to some split areas in central Canada.

Here I want to speak on behalf of my colleague, the hon. member for Pembina (Mr. Elzinga), in whose area is located Canadian Forces Base Namao which provides air capability and also the Buxton dropping centre, which is the training area and the Griesbach barracks and ancillary facilities which happen to be presently in Edmonton West, a lot of it going in the future to my colleague, the hon. member for Edmonton Centre (Mr. Paproski), who will be taking over Edmonton North.

[Mr. Leblanc (Laurier).]

● (2210)

All Edmonton area members are vitally concerned. But what raises our hackles is the complete refusal to discuss this matter. Questions have been put to the minister critical of the strategy of denuding the whole of the north west of an active, transportable military force, not clerks, cooks and storemen on the Canadian Forces base. They are not the military presence referred to. We want the whole of the Northwest Territories to be considered.

We have seen fatuous statements made that the unit, or fragments of the unit after it has been broken up, will be transferred to areas where there is a greater concentration of population. That is wrong. Ten years ago, every effort was made by people who considered the Canadian Forces needed an airborne regiment, to bring one into being. There are papers galore on this subject. Those officers, Mr. Speaker, are as highly qualified, then and now, as are General Dextraze and his advisers at the present time.

All I can say, from my point of view and my connections with the Armed Forces, is that General Dextraze is among those who did not agree, years ago, with the formation of the airborne unit, and now that he is in the position of being the chief, his original objection is being implemented by a change which destroys all the work of a succession of commanders of Mobile Command. These are men whose capabilities are as good as those of the officers who are presently there, and they say this is one of the most fatuous moves which could possibly be inflicted upon the forces. If there are reasons, and I presume there are, why is it the minister and the general cannot come clean and tell us what they are? Do not send the Minister of Labour (Mr. Munro) or the minister in charge of small business (Mr. Marchand) to Edmonton to say the move is justified for military reasons. That is nonsense.

A great deal of money and effort was spent on putting this thing together. I have here a copy of a paper headed "The Selection of a Site for the Canadian Airborne Regiment." This was a working paper utilized in the Armed Forces—

Mr. Dionne (Northumberland-Miramichi): When?

Mr. Lambert (Edmonton West): In 1972. They were considering at that time where the Airborne Regiment should be located and they had various sites in mind—CFB Edmonton, Rivers, Val Cartier or Petawawa. And every factor being considered, Edmonton was chosen as the ideal site.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): The facilities are there for training. There is one point which it seems to me has been overlooked by everybody.

I am not concerned now with any argument as to economic impact. I am thinking of the personnel involved and of their dependants. I am sure neither the minister nor his parliamen-

tary secretary will tell us that in the Petawawa area these people will be able to find the same employment opportunities as in Edmonton, or the same educational facilities. Available in the Edmonton area are fine schools, as good as can be found anywhere in the country, and in French, if desired; an ample stock of residences off-base for those who want such accomodation. Where will they get this in Pembroke, close to Petawawa; and where will their children go to school? What technical schools and universities will they be able to attend? I am sure the parliamentary secretary and the minister do not know how many men have indicated to us privately that they will retire rather than be transferred. This has caused a terrible morale problem.

The last question is: how much is it going to cost to provide the necessary infrastructure for a comparable unit, unless this is the first step for a downgrading into merely an airborne capability? What about additional housing? What about the cost of moving 700 troops from Camp Petawawa to Gagetown? No one has come down with a cost figure in this regard. They do not dare, because they cannot stand by it.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I can readily understand the hon. member's concern about the loss of the airborne regiment to the city of Edmonton. But after listening to him and to his statement that the statements made by my minister and the Chief of the Defence Staff were utter nonsense, I have to conclude that if that is true then they have no monopoly on nonsense.

An hon. Member: You are speaking nonsense yourself.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, we have a donkey in the House tonight.

Mr. Paproski: We have an ass over on that side.

Mr. Dionne (Northumberland-Miramichi): A big one over there. The hon. member's charge of non-information is, of course, without foundation as well, because both the Chief of the Defence Staff and the minister have made several public statements and have made public the rationale for the movement of the airborne regiment from Edmonton.

Mr. Lambert (Edmonton West): They have not given one reason.

Mr. Dionne (Northumberland-Miramichi): The hon. member says they have not. I have before me a statement by General Dextraze to this effect:

> At the present moment, I do not believe that the posture of the army field formations in Canada is in balance with military requirements. We have a combat group and an airborne regiment in the west, a small combat group in the centre, and a combat group in Quebec with an independent battalion in the maritimes. This undesirable situation is being redressed by redeploying our land forces in a more balanced posture. The planned overhead savings will be devoted to "The Sharp End" and will allow me to make better use of my total force capabilities.

That is a direct quote from the Chief of the Defence Staff.

The hon. member makes a great deal about the statements made by some retired officers of the Armed Forces. While I will not in any way take away from the service that those people have offered to this country, I will not sit idly by and listen to a dedicated public servant like General Dextraze being attacked in this House where he has no vehicle to defend himself. That is not an honourable course to take in this debate. General Dextraze is an outstanding soldier, an outstanding public servant and an outstanding individual, and is far more competent to judge the needs of the Canadian Armed Forces than some retired generals who happen to have a special interest in the airborne regiment.

That does not mean to say that General Dextraze does not have a special interest in the airborne regiment. But he has the responsibility for redeploying the Armed Forces in Canada to fit the needs of the defence structure of this country. That is his responsibility and the responsibility of the minister. The military forces knew when they joined that they were subject to movement within the country and outside it.

The Acting Speaker (Mr. Ethier): Order, please.

INDIAN AFFAIRS—POSSIBILITY OF RETURN OF MONEY COLLECTED FROM NATIVES THROUGH EXPORT TAX

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, tonight on the late show I wish to speak again on a question I raised some time ago in December last regarding the possibility of the return of the oil export tax to the Indian people from whose land the oil was extracted. As reported at page 1733 of *Hansard* for December 7, 1976, I asked the following question:

> Mr. Speaker, my question is also for the Minister of Indian Affairs and Northern Development. In regard to the export tax which was collected from Indian bands four years ago, is the minister prepared to state unequivocally that he is going to return the money to the Indian bands, and will he arrange for a tripartite meeting to clear up this whole matter?

● (2220)

I think it is very important. The minister replied that the question is under review. It is important to know that I have been asking the same question now of three successive ministers of Indian affairs and northern development from whom I have received the same answer, namely, that the question is under review and that they will let me know about it.

I have also placed this question on the order paper. I asked how much money has been collected through the export tax from Indian bands, how much is held in the treasury, and, because of the time it is taking the governments to decide what to do in this situation, can the Indian people living on lands where oil is produced expect interest to be paid on this money? Because I have received no answers to this question, I can only assume that the money in question amounts to some $4 million.

We find that a great deal of the money in the Canada Works program is being set aside to provide employment for Indian people because the rate of unemployment among the Indians is the highest in Canada. In many bands it is in the region of 80 per cent or 90 per cent.

Surely this money could be put to good use. This is money that rightly belongs to the Indians. They are the ones who should decide what to do with it, how to put it to use to assist members of a band in finding employment.

Because I was not getting answers from the ministers, I put the question to department officials at a meeting of the Standing Committee on Indian Affairs and Northern Development which was held about a month ago. The response of an official, as recorded in the proceedings of the committee, was as follows:

> We are actively interested in this and we are looking for a solution that would correspond to the interests expressed by the Indian people of Alberta. I am not fully up to date and I have the impression that some headway is being made as between the province, our department and the Department of Finance . . .

I am asking that the federal government provide some leadership and call the provincial government and the bands affected by decision not to return the money, to meet at a tripartite meeting to sort this out once and for all. The Indian people in Alberta should know how much money there is. This is something they do not know for sure. They should also be informed as to whether they can expect any interest on that money which has been collected for four years now.

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member for Wetaskiwin (Mr. Schellenberger) raised this question on December 7 of last year. The question regarding the oil export tax which was collected in respect of oil produced on Indian land and whether this money will be returned to the bands is, of course, a serious and urgent question which has the attention of my minister.

I can say to the hon. member that there is no pat answer. I say that because, as he knows, the question involves three federal departments, the Department of Finance, the Department of Energy, Mines and Resources, and the Department of Indian Affairs and Northern Development. I can only speak for the Department of Indian Affairs and Northern Development, and I say to the hon. member that my minister, as well as his two predecessors, the present Minister of Industry, Trade and Commerce (Mr. Chrétien) and the Minister of Public Works (Mr. Buchanan), have advanced the requests of the Indian bands concerned that the share of the tax distributed to the provinces should be given to the Indian bands from whose land oil was produced.

As we all know, the Indian people of Canada are unique in that they are the aboriginal inhabitants of the land, and for this reason they deserve special consideration in respect of the reserves of land and minerals set aside for their full use and benefit. In this context, my minister recently wrote letters to his colleagues, the Minister of Finance (Mr. Macdonald) and the Minister of Energy, Mines and Resources (Mr. Gillespie), to see whether a basis can be found to pay over to the Indian bands a share of the tax moneys collected by the federal government under the Oil Export Tax Act. Until their response is in hand, hon. members of this House will appreciate that any unequivocal response such as that sought by the hon. member for Wetaskiwin—and I appreciate his endeavours in seeking this—is just simply not possible from this one minister.

I should make note in addition that the Minister of Indian Affairs and Northern Development (Mr. Allmand) considers that, again, until the response is received, it would be premature to seek any tripartite meeting to consider the matter.

In conclusion, I appreciate that the hon. member has raised this matter, and I will undertake to add whatever urgency I can to see that we can get an adequate resolution to this serious problem.

The Acting Speaker (Mr. Ethier): Order please. A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Wednesday, February 16, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PRIVACY

SUGGESTION THAT SUBJECT OF WIRETAP BE NOTIFIED—MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I am glad that the Minister of Justice is sitting with me at this moment. I rise pursuant to Standing Order 43 on a matter of pressing and urgent necessity with reference to the invasion of privacy provisions of the Criminal Code of Canada which were designed to protect the privacy of individuals by prohibiting all interceptions of private communications except where permission is granted by a judge.

The annual report of His Excellency the Governor General of Canada states that in 1976, 1,062 persons were arrested as a result of interceptions by authorization and only 13 of those said 1,062 persons were convicted directly as a result of the said interceptions. I therefore move:

That the Minister of Justice retreat from the position that he took in Bill C-83 to abolish the 90 day notice clause demanding that the attorney general of a province or the Solicitor General of Canada be required by Section 178.23(1) to give notice to the person who is the object of the said interception that his telephone was wiretapped.

Mr. Speaker: Such a motion, pursuant to Standing Order 43, can be debated only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ABORTION

ALLEGATION FALSE INFORMATION PUBLISHED—REQUEST FOR CORRECTION—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to deal with a matter of urgent and pressing necessity. In view of the fact that Canadian taxpayers have paid to have booklets on sex education published by the Department of National Health and Welfare, and in view of the fact that one of these booklets claims to take its definition of abortion from the Criminal Code and that the information cited is not in the Criminal Code, I move, seconded by the hon. member for Northwest Territories (Mr. Firth):

That this House instruct the Minister of National Health and Welfare to recommend that such false and misleading information, which is being printed with public money, be corrected.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AGRICULTURE

SUGGESTION THAT JURISDICTION OVER MILK PRODUCTION BE GIVEN TO PROVINCES—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing and urgent necessity.

In view of the precarious position of manufacturing milk producers, especially in Quebec, whose income is clearly inadequate; since the situation has deteriorated from year to year as a result of federal policies; and since the control of the Canadian Dairy Commission and the Department of Agriculture constantly perpetuate a standstill in that industry, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the federal government give up all direct or indirect jursidiction over dairy production, leaving to the provinces the exclusive power to organize its operations.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

Marin Report

[*English*]

EXTERNAL AFFAIRS

CONVEYANCE TO RUMANIA AND CZECHOSLOVAKIA OF CANADA'S CONCERN OVER ARRESTS MADE IN VIOLATION OF HELSINKI AGREEMENT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I rise on a matter of urgent and pressing necessity to move a motion under the provisions of Standing Order 43 which I believe deserves a similar response to that given yesterday to a motion moved by the hon. member for Eglinton (Mr. Sharp). Yesterday at long last the House approved the conveyance to the government of the Soviet Union the disappointment and deep concern of the elected representatives of the Canadian people in parliament regarding the Soviet Union's disregard of the Helsinki Agreement in respect of human rights. Because similar breaches of this agreement resulting in a multitude of arrests in other east European countries are taking place, namely in Rumania and Czechoslovakia, I move, seconded by the right hon. member for Prince Albert (Mr. Diefenbaker):

● (1410)

That the Secretary of State for External Affairs convey to the governments of Rumania and Czechoslovakia the disappointment and deep concern of the elected representatives of the Canadian people in parliament at the arrests being made in those countries contrary to the terms of the Helsinki agreement.

Mr. Speaker: Order, please. Such motion pursuant to Standing Order 43 can only be—

Mr. MacEachen: Mr. Speaker, a point of order before the request is put to the House. Inasmuch as the Secretary of State for External Affairs is not present in the House today and inasmuch as he is requested to make these representations, I would suggest that the request be made when he is here tomorrow.

Mr. Speaker: Order, please. Presentation of the motion at this time can only be made with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

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ROYAL CANADIAN MOUNTED POLICE

IMPLEMENTATION OF RECOMMENDATION OF MARIN COMMISSION—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43 involving the RCMP; because of delay by this government in acting on the recommendations of the Marin Commission of inquiry which has perpetuated the very inequitable situation in which RCMP personnel, particularly those in the lower ranks, find themselves, whereby they are still being denied rights to elementary principles of natural justice with respect to their own positions, I move, seconded by the hon. member for Fundy-Royal (Mr. Fairweather):

[Mr. Speaker.]

That the recommendations of Judge Rene Marin be brought forward by the government for consideration by parliament so that the present status of RCMP personnel can be improved, particularly in eliminating existing double standards in dealing with personnel of low and high rank when they encounter problems, one such prima facie case being the recently set out by the well known Canadian journalist Marjorie Nichols with respect to Chief Superintendent Robert Vaughan.

Mr. Speaker: Presentation of such a motion pursuant to Standing Order 43 can be made only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

* * *

THE CANADIAN ECONOMY

REQUEST FOR EXPLANATION OF FAILURE TO INCLUDE ALL UNEMPLOYED IN STATISTICS—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise to move a motion under Standing Order 43. In view of the fact the Minister of Manpower and Immigration (Mr. Cullen) claimed in this House yesterday that there are only 34,000 hidden unemployed who have given up looking for work that is not available, and in view of the fact that data from Statistics Canada labour force survey plainly shows this to be false, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House condemns the minister for misleading the House on the true extent of unemployment, and instructs the government House leader to take steps to ensure that spokesmen for Statistics Canada and the Economic Council of Canada appear before an early meeting of the Standing Committee on Finance, Trade and Economic Affairs to explain why in their view the official monthly unemployment figures seriously understate the real extent of unemployment.

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

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

KNOWLEDGE OF MINISTER OF USE OF WRITS OF ASSISTANCE—SUGGESTION COURTS BE GIVEN DISCRETION IN GRANTING SUCH WRITS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, in the absence of the Minister of National Revenue and the Solicitor General, I should like to direct my question to the Minister of Justice who is also acting Solicitor General. My question relates to the most serious castigation by two of Canada's foremost jurists, Chief Justice W. R. Jackett and Mr. Justice F. U. Collier of the provisions under the Excise

Act and the Customs Act under which applications are made by members of the RCMP Police for writs of assistance for unlimited periods of time, to unknown individuals allowing unmitigated powers to enter and search unspecified premises. In light of this very strong criticism contained in the recent judgment and by the two jurists, can the minister advise the House whether he is aware of the applications being made by the RCMP for these writs and does he approve of same?

Hon. Ron Basford (Acting Solicitor General): Mr. Speaker, I am not aware of the applications nor of the comments by Chief Justice Jackett to which the hon. member referred. I will immediately undertake to review those comments and review the situation. Generally, I would want to say to the hon. member that I have been concerned about some of the powers provided under the Criminal Code and otherwise to investigative agencies. I have discussed this question with my officials and with members of the Law Reform commission who are examining the whole of our criminal law and criminal law procedures. That is among the matters which the Law Reform commission is examining.

Mr. Hnatyshyn: A supplementary question, Mr. Speaker. Since this question has now been raised in the House twice, will the minister look into it as quickly as possible, for it is important? And, having regard to the basic principles of Canadian common law against unlimited and indefinite warrants, principles so dearly cherished by Canadians and all who believe in democratic freedoms and rights, will the minister not undertake to have amendments to present legislation introduced, in order, at the very least, to allow courts discretion in the granting of writs of assistance? I ask this in view of the mandatory basis upon which they must now be granted upon application.

Mr. Basford: Mr. Speaker, I would not want to give that undertaking until I have reviewed the judgment to which the hon. member referred.

SUGGESTED DETAILS REQUIRED BEFORE WRITS OF ASSISTANCE ISSUED

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, may I ask the minister a final supplementary question? In view of the statement of Mr. Justice Collier that he was "shocked and incredulous that the court should be asked or required, on such fragile and unenlightening material, to lend its authority to the clothing of an unknown government officer with such extensive unlimited powers," will the minister now undertake that, henceforth, all applications for writs of assitance being made by those coming under his department, or by the minister, in his capacity as Attorney General of Canada, will be supported by the fullest possible disclosure of facts as to why the issuance of the writs is required, those facts to include details of the premises, persons and areas affected, and the minimum period of time for which the writs are required?

Hon. Ron Basford (Acting Solicitor General): Mr. Speaker, I would readily agree that applications in the name of my department will be in such a form as to comply with the legal requirements under which they are made, and I will review the judgment of Mr. Justice Collier.

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ADMINISTRATION OF JUSTICE

POSSIBILITY MINISTER INVOLVED IN CONFLICT OF INTEREST IN ISSUANCE OF WRITS OF ASSISTANCE

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct my supplementary question to the Minister of Justice? It has to do with an apparent conflict of interest in that, technically, applications for such writs of assistance must be issued by the Attorney General, but that same minister has the responsibility to parliament and the country for the Canadian Bill of Rights. I ask the minister if he will examine the question of applications by himself, as Attorney General, for the issuance of those writs? On the surface this matter seems to involve a serious conflict of interest with the minister's responsibility in protecting those very rights of privacy of Canadians set out in the Canadian Bill of Rights.

Hon. Ron Basford (Minister of Justice): Yes, Mr. Speaker.

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EXTERNAL AFFAIRS

POSSIBILITY OF NUCLEAR SAFEGUARD AGREEMENT WITH EUROPEAN ECONOMIC COMMUNITY—GOVERNMENT POSITION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, may I address my question to the Acting Prime Minister or the Acting Secretary of State for External Affairs? I believe they are both the same person, which ought to make this easier.

An hon. Member: He has two heads.

Mr. Knowles (Winnipeg North Centre): He can argue with himself.

Mr. Brewin: Mr. Speaker, it is reported that the European Economic Community will some time this week offer Canada a so-called compromise nuclear safeguard agreement, which would apply to seven of the nine EEC countries, exclude France, but enable France to secure uranium from the other members of the EEC, despite the Canadian embargo, without accepting the stronger safeguards formula demanded by Canada. Can the minister tell us whether that is correct? Is such agreement being sought, and if so, what is being done about it?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I can tell the hon. member that there have been discussions and negotiations between the community and Canada on the question of safeguards. According to my information, at the beginning of last week no conclusion had been reached. Of course, I do not have further up-to-date information. I will have to check the various facts alleged in the

statement of the hon. member and have the minister report tomorrow, when he returns to the House.

Mr. Brewin: A supplementary question, Mr. Speaker. Can the minister offer assurances to the House that no agreement moderating, compromising or dispensing with the safeguards requirements by Canada will be entered into with the EEC or any other country, so that adequate safeguards, which are extremely important, will be maintained?

● (1420)

Mr. MacEachen: Mr. Speaker, I believe I can give that general assurance to the hon. member that we have stated our safeguards policy and in all cases our objective is to have it implemented.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

REASON FOR FAILURE TO MENTION OPPOSITION DAY IN HOUSE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is for the Secretary of State.

Yesterday was a very important day in the House of Commons, an opposition day, which was devoted to a very special subject, one that concerns all Canadians, and last night the French CBC network did not even mention what went on in the House of Commons. Yet they went all over the world to report what happened there. Mr. Speaker, I would like to ask the minister responsible for the state network to be so kind as to check on the reason for that lack of public information on strictly Canadian matters, which are of interest to all Canadians, and to report to the House.

[*English*]

Hon. John Roberts (Secretary of State): Mr. Speaker, I cannot help but agree with the hon. member that the proclamation of the New Citizenship Act yesterday was a matter of great importance to this country, one in which all members of this House share great pride. The ceremonies which took place yesterday to mark that were an indication of the importance members of this House and members of the other place have given to this legislative step. I therefore feel no compunction whatsoever in drawing the attention of the CBC to the remarks of the hon. member. I will endeavour to report to him the results of my inquiry.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, from the minister's answer I see that we are not on the same wavelength. This does not mean, Mr. Speaker, that the reference to the other event he mentioned in his answer was not important at all. I do not question that, but my query deals specifically with the proceedings of the House. Television is supposed to inform the public. Now, the House is willing to spend millions to inform people, and for the moment the state television network is responsible for keeping people abreast of the important things that go on in the House. It is on that subject that I invite the minister's answer. Will he investigate to see why the state network did not echo the very important proceedings which took place yesterday in the House of Commons?

[*English*]

Mr. Roberts: Mr. Speaker, you can readily understand how, when the hon. member referred to a matter of major importance, I automatically assumed, as I think most members would, that he was referring to the proclamation of the new Citizenship Act. In relation to the other matter, to which I confess I do not give quite the same importance as the hon. member, I will be happy to add this to my inquiry. I would point out that the sooner we get on with this business of televising the House, the sooner this problem will no longer arise.

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PRIVACY

POSITION OF MINISTER ON NOTIFICATION TO SUBJECT OF WIRETAP—ADMISSIBILITY OF WIRETAP EVIDENCE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Minister of Justice. It arises from my proposed motion under Standing Order 43. Having read the annual report of His Excellency the Governor General, which states that 1,062 persons were arrested as a result of interceptions by authorization whereas only 13 of those persons were convicted of some offence as a direct result of wiretapping, is the minister now prepared to retreat from his position of abolishing the notice to the person who is the object of the said interceptions in the light of these figures?

Hon. Ron Basford (Minister of Justice): The report also indicated that electronic surveillance was an indispensable instrument of proper investigation in this country. I think my position was set out in amendments made to Bill C-83 in the last session—that there should be a change in the notification requirement allowing the law enforcement officers to apply to court for an extension of time for notification.

Mr. Woolliams: As the Minister of Justice knows, though he doesn't state it, he was going to repeal the very notice in that Bill C-83 and there was some objection to his doing so by the committee. Is he aware that the courts have now ruled that evidence from authorized interceptions has been declared admissible in the courts even if the Solicitor General of Canada and the attorneys general of the provinces failed to give the 90-day notice to the person who is the object of intercept. In other words, even if the Solicitor General or the attorney general fails to carry out his obligations under the Code, and there is no penalty, the evidence is still admissible in court. Will the hon. gentleman take that into consideration when looking at this matter again?

Mr. Basford: The answer to both parts of the question is, yes.

Mr. Woolliams: The Minister of Justice says that having looked at the legislation he feels it is necessary because the report indicates that it is. But I should like to refer to page six of the report, and I put this question to him again: does he think it is good legislation when they arrest 1,062 people and only 13 are convicted, and now he is about to abolish the notice to those who are the objects of that kind of intercept?

Mr. Basford: I believe that basically the legislation, which was very carefully debated in the House before it was passed, is necessary legislation. I do not think its effect is quite as the hon. member states it on the basis of that report.

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EXTERNAL AFFAIRS

REASON FOR RETURN TO OTTAWA OF AMBASSADOR TO UNITED STATES

Mr. R. Gordon L. Fairweather (Fundy Royal): Mr. Speaker, I have a question for the Acting Secretary of State for External Affairs. What is the explanation for the announcement, six days before the visit of the Prime Minister to Washington, of the return to Ottawa of Canada's ambassador to the United States?

Hon. Allan J. MacEachen (Acting Secretary of State for External Affairs): I do not believe there is any explanation which is related to the timing of the Prime Minister's visit. My information is that our distinguished ambassador to the United States indicated some time ago that at a certain point he would like to return to Canada and resume some activity in the public sector. That is the significance, and the only significance, which should be attached to Mr. Warren's return. All of us know he has performed very ably and effectively as our ambassador to Washington.

Mr. Fairweather: There can be no doubt as to the distinguished service of the ambassador. But is it possible to find an example of more inopportune timing for an announcement than the one made yesterday?

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AIR TRANSPORT

INCIDENT INVOLVING AIR CANADA FLIGHT 266—NEED FOR INSTALLATION OF RADAR AT VICTORIA AIRPORT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Minister of Transport. It is two weeks and two days since I asked him whether he had seen the report of a near-miss at Victoria International Airport. I ask him again whether he has seen that report.

Hon. Otto E. Lang (Minister of Transport): Yes, Mr. Speaker, I have, and also the version of the report as put forward by the hon. member in the House was a gross exaggeration of what had occurred. I have received a report on the distance between the aircraft and the action which was taken and I think nothing further need be added.

Mr. Munro (Esquimalt-Saanich): It is obvious that the minister has not seen the captain's report in which he clearly stated that had they not been looking out, had they been looking at the instruments, there would have been a disaster. Has the minister changed his mind at all about the disposition of the radar equipment which is being taken out of Vancouver Airport and, presumably, being sent somewhere else? Why is it not being sent to Victoria where it is needed?

● (1430)

Mr. Lang: The equipment is used where it is most adequate. The two instances are not at all related.

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CANADIAN BROADCASTING CORPORATION

CUBAN AND SOUTH AMERICAN SERVICE—ALLEGED FAILURE TO GIVE FULL REPORT OF EXPULSION OF CUBAN DIPLOMATS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State and has to do with CBC broadcasts of news to Cuba and South American countries. It is with particular reference to the story that it carried in connection with the removal of certain Cuban officials because of their co-operation in espionage while they were resident in Canada. The report on the CBC international service to Cuba and South America was quite different from the domestic service report. It gave the Cuban denial of wrongdoing but did not give Canada's official reason for expelling the diplomats.

I should like to find out from the minister whether there is a special handling of broadcasts, featherweight broadcasts, pussyfooting ones, to Cuba and South America and whether or not these broadcasts emanating from Montreal are passed by any officials in the CBC or are simply the product of the actions of the individuals who are broadcasting?

Hon. John Roberts (Secretary of State): Mr. Speaker, may I say how pleased I am to receive a question from the right hon. gentleman. Like him, I do not believe in pussyfooting around and I shall undertake to make some inquiries about the matter and report to him.

Oral Questions

HEALTH

REASON FOR FAILURE TO ESTABLISH STANDARDS FOR ACCEPTABLE LEVELS OF ARSENIC IN THE AIR

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Considering that in a letter dated January 9, 1976 signed by Mr. J. R. Hickman, director of the bureau of chemical hazards in the minister's department, a copy of which I have before me, it is said that "it is now reasonably established that workers that have been exposed to arsenic over long periods of time because of their occupation have suffered increased mortality from cancer", and considering that this letter was sent by a department head within the minister's own department more than a year ago, would the minister explain how it is conceivable that up to this point nothing has yet been done to establish acceptable health standards as they pertain to arsenic levels in the air?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the leader of the New Democratic Party has a document I do not possess myself. I would be pleased to look at it and give an answer to the hon. member.

[*English*]

Mr. Broadbent: A supplementary question. While the minister is undertaking to investigate this document would he also consider the implications of another quote from the letter, in which Mr. Hickman says that "the purpose of this letter is to request you to initiate action under the provisions of the Clean Air Act". In order to remove this significant health hazard to workers, would he investigate that; and if, as seems to be obvious, appropriate action was not taken more than a year ago on this matter, will he take the appropriate disciplinary steps and also consider his important obligations in this area as a minister?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I am very happy to listen to the admonitions of the leader of the New Democratic Party. As for the second quotation he referred to, he clearly indicated that my department has indeed asked that steps be taken; this seems to contradict the first quotation. Therefore I cannot see why he makes selective quotations such as these. It would have been simpler to send me the complete text of the letter. We could then exchange views more intelligently.

[*English*]

Mr. Broadbent: A final supplementary question, Mr. Speaker. The minister has clearly misunderstood my second question but I shall take steps to see that he gets a copy of the letter immediately. My final supplementary question is for the Acting Prime Minister. In view of the absence of the minister who is responsible for bringing directly before the House or to cabinet regulations to enforce the Clean Air Act, would the Acting Prime Minister explain how it has been possible, given a memo dated February 6, 1975, which is almost two years ago, this time sent to a different minister in a different area of responsibility but precisely on the same subject matter of clean air, that no action was taken regarding that recommendation which came from a second department of the government?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I have no ready answer to the question. Probably I could contrive one but I will be happy to look into the matter and see if indeed no action has been taken as alleged by the hon. member. I would be very doubtful that his suggestion is correct.

REPORT ON CONNAUGHT LABORATORIES—ACTION TO MAKE CANADA SELF-SUFFICIENT IN BIOLOGICALS

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether he has had the opportunity of studying the CMA committee report on Connaught Laboratories and when he will take steps to make Canada self-sufficient in the manufacture of biologicals necessary for the health needs of the nation?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have indeed received a copy of the report from the CMA which was made public a few weeks ago and I have asked my officials to examine it. I was very happy to see that this particular report proved that the allegations that had been made by various organizations and media people against Connaught were unfounded. At the same time, that particular report included some recommendations having to do with self-sufficiency in biologicals, and I have asked my officials to examine this matter. I expect a comment from my officials within the next few weeks. At that time I hope to be in a position to state what government policy will be in this respect.

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TRADE

GOVERNMENT MEASURES TO STIMULATE EXPORTS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. As Canada's share of world trade has recently slipped from 8 per cent to 6 per cent, and as we have a yearly deficit of $10 billion in manufactured products, the ones that produce the jobs, I ask the minister whether the program which he announced last week of combining six existing programs, none of which has been effective in increasing our sales of manufactured products, is his only answer to increasing exports of these products? If not, when does he expect to announce a really effective program?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, first I wish to indicate that I reject the hon. member's suggestion that the deficit amounted to $10 billion. I think it was lower than that and the hon. member forgot to mention that in 1976 we had a surplus of $1.3 billion

in our balance of payments. In my opinion, the hon. member is very selective when it comes to statistics. As for the program, we decided on the procedure which is to take what I call the alphabet programs we used to have and simplify the formula thus enabling Canadian businessmen to call on our department's services to improve Canadian exports. Incidentally this morning I had a meeting with my department's businessmen advisory committee and I am glad to tell the hon. member that this meeting was extremely productive.

[*English*]

Mr. Hees: A supplementary question, Mr. Speaker. As the minister will find out if he consults his agency, Statistics Canada, the deficit in manufactured goods was $10 billion last year and is well on the way to being the same kind of deficit this year. Does he not realize that any increase in exports which we show this year is solely due to increased sales of raw materials which other countries want to turn into manufactured products, and thus derive the benefit of employment in manufacturing industries which this country will have if the minister were on his toes and did something about it?

● (1440)

Mr. Chrétien: I hope the hon. member will talk to some of his colleagues who are complaining because I am trying to do something about the textile industry in Canada.

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TRANSPORT

CHARTERING OF VESSELS FROM OFF-SHORE CORPORATIONS—REQUEST FOR INVESTIGATION OF CORPORATE STRUCTURE OF SUCH COMPANIES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Transport about shipping which also affects taxation. The east coast motor vessel *Marine Cruiser* is chartered by the CN at approximately $1,400 per day, which revenues appear to be going to an off-shore corporation in the Bahamas, which is presumably not paying the type of corporation tax which would be the case if it were a domestic Canadian corporation. Would the minister review charters of this type to see whether there can be a tilt in favour of doing business with companies which are willing to pay regular Canadian tax, and thus avoid the leakage of Canadian tax revenue?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, as a general proposition, I can certainly say yes to that question without necessarily confirming it in this case.

Mr. MacKay: I thank the minister for his answer. Would the minister indicate, while he is looking into this matter, whether he will ascertain and report to the House the identities of all the shareholders of the companies which are getting the benefit of revenues from this government's shipping charter, since my research indicates a very interesting corporate structure?

Mr. Lang: I will be glad to look into it, and I will be glad to have the benefit of the hon. member's research.

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CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

APPROVAL OF GRANT TO SPIRITUAL COMMUNITY FOR WORK IN GUATEMALA—GOVERNMENT POSITION

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to put a question to the Acting Secretary of State for External Affairs who is responsible for CIDA and ask him whether or not it is the usual course for CIDA and the Department of External Affairs to authorize a spiritual community based in Tennessee called "The Farm" working under the name "Plenty" in Canada, to collect funds to be sent to Guatemala, because CIDA has approved the submission and has agreed to provide $80,000 worth of materials.

Mr. Speaker: Order, please. That information should be sought in another way.

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ENERGY

MACKENZIE VALLEY PIPELINE—STUDY BY FENCO ENGINEERING OF POSSIBLE COST OVER-RUNS—COST AND DATE OF COMPLETION

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Apparently Fenco Engineering is doing a study for the government on possible cost over-runs in connection with the Mackenzie pipeline. If so, can the minister tell us what the study's parameters are, when it will be completed, what the likely cost is, and whether or not it will be tabled in the House?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, it is quite true that the department has commissioned such a study concerned with over-runs. There have been leaks in the press as to what it has to say to the government. If the hon. member has a copy, I hope he will send me one. We have not received it in my department nor have we received it in my office. I hope that the report will be completed and placed in my hands within the next few weeks.

MACKENZIE VALLEY PIPELINE—SUGGESTION COST OVER-RUN STUDY INDICATES LACK OF FAITH IN ENERGY BOARD

Mr. John C. Crosbie (St. John's West): Mr. Speaker, when the report is tabled and the minister receives it and has time to consider it, can the minister tell me, since the National Energy Board is conducting hearings into this whole matter, including costs and cost over-runs, is the fact that the government is having an independent study done not an indication of a lack of faith in the National Energy Board, or is the government

assuming that the National Energy Board will recommend the necessary permits?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think the government would be criticized if the National Energy Board were to report and the government did not have some way of assessing the cost over-run question other than perhaps the views of the National Energy Board itself. Quite clearly, with respect to the Alyeska oil pipeline there were enormous over-runs, so much so that the financial viability of the project down Mackenzie, if the same were to occur, would be in great doubt. For those reasons the government has commissioned that study. I can assure the hon. member that it will be made public, and not only will it be available to members of parliament, it will also be available to the National Energy Board if they wish to use it.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

ASSURANCE OF NEW BRUNSWICK ON CONSTRUCTION OF TRANS-CANADA HIGHWAY IN EDMUNDSTON AREA

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. I should like to know whether the minister got a firm and irreversible undertaking from the government of New Brunswick for the reconstruction of the Trans-Canada Highway in the area of Edmunston, at the initial cost of $8 million. I ask that question, Mr. Speaker, for I want to know whether that undertaking was confirmed in writing, in some way or other, and if so, is he prepared to release that document in the interest of the people who want to know how their taxes are spent and how that agreement was reached?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I am glad to inform the hon. member and the House that during our negotiations leading to the signature of the three-year agreement on the development of the road system in New Brunswick, I had indeed received some representations with a view to improving the Trans-Canada Highway near Edmunston. While negotiating, we agreed as a matter of fact with the provincial government that it would be in charge of that section of the system in return for federal participation in other sections of the road system in northern and northeastern New Brunswick.

There has been an exchange of letters between myself and Premier Hatfield, and I am asked to release them. I will check with Mr. Hatfield and if he does not object, I see no reason why those papers should not be made public.

[Mr. Crosbie.]

[*English*]

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

SHIPMENT OF CORN TO GHANA

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Acting Secretary of State for External Affairs who is in charge of CIDA and ask him if he is aware of the fact that CIDA purchased some 20,000 tons of corn at a cost of $2,340,000 for sale to Ghana, only to find that Ghana does not have the facilities to handle bulk corn. The outcome of all this nonsense has been the additional purchase of 160,000 bags into which the corn will be loaded—

An hon. Member: Metric bags.

Mr. Murta: —in order for the corn to be put ashore in Ghana, and the additional expense will come from the demurrage charges, which will amount to some $5,000 per day—

Mr. Hees: And the shovel they are sending over.

Mr. Speaker: Order, please. Information of such a detailed nature should be sought on the order paper and perhaps by correspondence.

Mr. Murta: I am coming to my question, Mr. Speaker.

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

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RESOURCES

CESIUM—REASON FOR FAILURE TO GRANT EXPORT PERMIT—MEASURES TO ENSURE CONTINUED OPERATION OF TANTALLUM MINES

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Minister of Energy, Mines and Resources or possibly to his colleague, the Minister without Portfolio who has an ever-consuming interest in Manitoba. In view of the question I asked the minister last week, namely, that export permits for the export of cesium to the U.S.S.R. had been granted for the past seven years and were not granted in 1976, has the minister taken any steps in that regard and can he indicate whether steps have been taken to stockpile cesium as well as to develop research in order that cesium can be brought to a higher grade, thus creating and maintaining jobs not only in eastern Canada but in our manufacturing areas as well?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, as I recall the question last week, I think it was directed to the Secretary of State for External Affairs. It has to do with the issuing of an export permit with respect to a strategic material, namely, cesium. The government decided that no export permit would be issued at this time for those reasons. As to the second part of the question, as to whether or not we would examine the possibility of

having material converted into a different substance so that it might be exported, I will be pleased to look into that.

Mr. Epp: May I ask the minister, in view of grants that have been given to companies such as the Tantallum mines in Eastern Manitoba, whether the government is taking steps to maintain the operation of these mines in view of the fact that export permits have not been granted. What future do these places have in view of the declaration of cesium to be a strategic material and without any alternative policy?

Mr. Gillespie: I will have to make some inquiries with respect to the technical question which the hon. member put to me and I shall get back to him.

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GRAIN

WHEAT—REQUEST FOR EXPLANATION OF SELLING COSTS AND LOW PRICE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister in charge of the Canadian Wheat Board. In view of the great dissatisfaction with the recent final wheat payments and the feeling of many producers that they have been shortchanged, can the minister explore ways in which the Wheat Board can produce more information as to the cost at which the grain was sold and why the price seems to be low?

● (1450)

Hon. Otto E. Lang (Minister of Transport): Yes, Mr. Speaker, the Canadian Wheat Board is taking steps to give information to producers about the selling price which is reflected in the final payment. A booklet, or information piece, describing the total financial situation with regard to that crop year is about to go into the mail. It is being sent by the Canadian Wheat Board to all producers. Canadian Wheat Board commissioners are holding meetings throughout the prairies, and they are hoping to meet as many farmers in person as possible.

WHEAT—SUGGESTION INFORMATION BOOKLET ON SELLING COSTS ACCOMPANY FINAL PAYMENT CHEQUES

Mr. Arnold Malone (Battle River): Mr. Speaker, I would ask that in future years the minister ensure that that booklet is included with the final payment cheque, a booklet including a full breakdown as to demurrage charges and all expenses taken off gross sales, so farmers can make an analysis when they receive their cheques without going through a long period of frustration.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the final payments of the Canadian Wheat Board are sent out in the New Year just as fast as the calculations can be completed. I do not agree with the suggestion of the hon. member that these cheques should be delayed until the preparation of those figures in a printable form. I think the cheques should continue to go out to the farmers as fast as possible, and then the information should follow as fast as possible.

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POST OFFICE

ALLEGED DISTRIBUTION OF OUTDATED PRESS RELEASES—GOVERNMENT POSITION

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a question for the Postmaster General. Has consideration been given to discontinuing or monitoring the circulation of outdated government information, including outdated press releases from all ministers' offices? I cite as an example material from the office of the Prime Minister dated November 3, 1976 which was delivered to Alberta radio stations on January 18, 1977—

An hon. Member: By mail.

Mr. Towers: —not only wasting postage but clogging up the postal system thereby delaying first class mail.

An hon. Member: They should try the pony express.

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, I do not know to what the hon. gentleman is referring.

Mr. Hees: That's the trouble. That's why we never get any action.

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ROYAL CANADIAN MOUNTED POLICE

USE OF WRITS OF ASSISTANCE—PROPOSED INVESTIGATION OF PRACTICE—REQUEST FOR REPORT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I see that the Solicitor General has returned to the House. My questions are with reference to the matters raised by my colleague, the hon. member for Saskatoon-Biggar. Mr. Justice Collier, in a recent judgment of February 10, said the following:

> . . . the powers given under the writs are extremely wide and, but for any legal sanctification in the statute, would otherwise be an invasion of privacy and property and civil rights.

In view of that statement, and in view of a practice which I am sure must alarm the minister as a member of the bar, would he undertake to adopt the practice of personally reviewing and approving any further applications by the RCMP for writs of assistance under these statutes until an investigation is completed?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I shall be pleased to make an exhaustive inquiry on this matter, but I must indicate to my hon. colleague that applications for a writ of assistance are made through the Attorney General of Canada as far as the Customs Act and the Excise Tax Act are

concerned and through the Minister of National Health and Welfare as far as the Food and Drugs Act and the Narcotic Control Act are concerned.

However, hon. members should be reminded that, if we consider the Customs Act and the Excise Tax Act, there are more than 70 million visitors in Canada each year and if it were necessary to ask for a search warrant each time there should be a seizure, the evidence might disappear in several cases. I hope the hon. member does not question the very principle of a writ of assistance but rather that he considers the process of application for these writs.

[*English*]

Mr. Baker (Grenville-Carleton): I appreciate the difficulties with respect to law enforcement which have been raised by the Solicitor General, but I hope he will not balance those against the rights of individuals and the clear principle which has long been embodied in our law that the rights of individuals should be safeguarded. Surely, with the number of judges there are in this country and with the number of opportunities for applications to be made, the Solicitor General would not consider it unreasonable if I asked him whether he would make a general review of statutes with respect to the application of these wide, sweeping powers so that any police force, even the Royal Canadian Mounted Police, does not have the power to act arbitrarily in this situation.

After the review would the minister undertake to come to the House and make a statement on motions with respect to the findings of his investigation?

[*Translation*]

Mr. Fox: Mr. Speaker, I think I have no authority to review the Customs Act and the Excise Tax Act, nor the Food and Drugs Act and the Narcotic Control Act. Of course, I shall be pleased to study closely the procedure followed by the RCMP.

I would also like to draw the hon. member's attention to the fact that in several cases, for example in remote areas, it is necessary for the RCMP, under certain circumstances, to be able to use the kind of instrument described in a writ of assistance.

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[*English*]

TRANSPORT

POSSIBILITY OF INQUIRY INTO WATER TRANSPORTATION ALONG WEST COAST

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I would like to direct a question to the Minister of Transport. In view of the recent water transportation dislocations in the federal ridings of Comox-Alberni, Coast Chilcotin and Skeena, can the minister advise the House when his announced transportation inquiry will take place regarding water transportation on the west coast of Canada?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I cannot give an indication of that kind of inquiry at this point because any such proceeding may be affected by certain discussions which are taking place at the present time between the province of British Columbia and ourselves. I hope those could conclude at an early date, and then we could take the next step.

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ANTI-INFLATION BOARD

SUGGESTED ROLL-BACK OF BREAD PRICES IN VIEW OF DECISION ON SALARIES OF FLOUR MILL WORKERS—GOVERNMENT ACTION TO SETTLE STRIKE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the Minister of Finance, and it is in relation to the strike of flour mill workers in the city of Montreal. Is the minister aware that the decision of the AIB, which was supported by his government, rolls back the wages of workers in the flour mills but does not roll back the price of bread in the city of Montreal, and that as a result of that the companies are now accumulating an extra profit margin of some $400,000? Is the minister going to do something about that situation, where the wages of workers cannot be increased but that the price of bread is not rolled back?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the purpose of the roll-back by the AIB was to prevent any further increase in the cost of bread and other flour products to consumers, not only in Montreal but also in other parts of Canada. With respect to the profit margin of the millers and with respect to the extent to which it has been expanded I would have to make a specific inquiry of the board. However, that profit margin is under the restraint of the anti-inflation program, as is the case with other companies.

Mr. Nystrom: The minister very recently said that the strike was under the jurisdiction of the province of Quebec, and I would like to know if the minister will now admit that he was wrong, in view of the fact that the strike is really taking place against the AIB. Would the minister tell the House what recommendation he is making to the cabinet to settle the situation in the city of Montreal?

Mr. Macdonald (Rosedale): I am quite prepared to admit to the House that I was wrong in that statement, but not because it is a strike against the AIB. The millers in question are governed by the Canadian Wheat Board Act, and in that sense they are under federal jurisdiction rather than provincial jurisdiction. I am glad to have this opportunity to correct the record.

It seems to me that it is in the interests of Canadian consumers and Canadians generally that we have this restraint against further increases in costs in the food industry. Locals in Alberta and Ontario have accepted similar terms as being reasonable for settlement of the contract, and it seems equally reasonable that those in Quebec should do so as well. We

passed a law in this parliament to restrain increases in costs in this as in other areas, and I think it should be respected by that particular bargaining unit.

[*Translation*]

UNEMPLOYMENT INSURANCE

ELIGIBILITY OF PERSONS AGED 65 TO BENEFITS WHO HAVE NOT APPLIED FOR OLD AGE PENSION

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Acting Prime Minister.

Yesterday, in answer to a question put to him by the hon. member for Lapointe, the Minister of Manpower and Immigration, who is responsible for the Unemployment Insurance Commission, said that he did not have the authority to implement the suggestion of the hon. member, namely to remedy the gross injustice suffered by persons of 65 years of age who, having been misled by employees of the government, were deprived of their unemployment insurance and who further, having applied to the Canada Pension Plan and the Quebec Pension Plan now are told that they will not receive what other 65-year olds are being granted, all that as a result of an error which the government has admitted. Consequently, and for the sake of justice, I would ask the minister if he is willing to recommend to the cabinet that the situation be remedied as soon as possible so that justice be done to those persons of 65 who were misled, which error the government itself has recognized.

● (1500)

[*English*]

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I am not quite sure what correction the hon. member has in mind. As I understand it, the provisions relating to persons aged 60 stem from the law itself. I am not sure whether he has in mind a change in the law to overcome that particular point, or whether he wants better information.

[*Translation*]

Mr. La Salle: Mr. Speaker, on a supplementary.

For the minister's guidance, may I say that since those people of 65 were cut off unemployment insurance from December 1975 and since the courts upheld those persons' rights, the government announced this week that it will resume unemployment insurance payments to people of 65, except for those who have applied for the Canada or Quebec pension. As civil servants had said to those persons that they would no longer get their unemployment insurance, the latter were in fact forced to apply for their pensions. That mistake was made by civil servants and I ask that justice be done to those persons of 65: only a decision of the cabinet can redress that injustice.

[*English*]

Mr. MacEachen: Mr. Speaker, the hon. member has made a number of representations that are self-evident.

PRIVILEGE

MR. ALEXANDER—INVITATIONS TO HAMILTON FUNCTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise on a question of privilege as a result of information brought to my attention which concerns the Secretary of State (Mr. Roberts). I was very pleased when I received a letter dated February 10, just before I came into the House, regarding the new legislation dealing with amendments to the Citizenship Act.

I read the minister's letter with a great deal of care and interest. He mentioned the ceremonies that were held on February 15. I became more interested when he stated that the purpose of these manifestations is to publicize the new act and encourage potential new Canadians to take advantage of it. I jumped for joy at that, Mr. Speaker, because I thought it was important and I would want to become involved with it. It made a great deal of sense. Then the minister advised that on February 25 the Department of the Secretary of State will hold a reception at the Hamilton Multicultural Centre "which you are personally invited to attend."

Here is the key sentence, Mr. Speaker.

> I am enclosing herewith 20 invitations which you might want to address to different individuals in your riding on my behalf.

Then the minister honours me with a list of some 50 people.

What I take exception to is that the invitation reads like this:

> To mark the Proclamation of the New Citizenship Act
> The Honourable John Munro
> on behalf of
> The Secretary of State of Canada
> request the pleasure of the company of

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Alexander: Mr. Speaker, I know the Minister of Labour (Mr. Munro) does have something to do with multiculturalism, but I think that what the Secretary of State is attempting to do is nothing but a cheap political trick.

Some hon. Members: Hear, hear!

Mr. Alexander: I cannot understand how the minister would want me to be enjoined with him in something that is misleading. If I did insert a name on that invitation it would appear that it was not put there on the minister's behalf by me but rather by the Minister of Labour.

I just want to let the minister know that this is no time to play tricks with a very important act—an act some one million people want to become involved with by taking advantage of the situation. I would have been pleased to co-operate with the minister, but he could have sent me an invitation reading "The Secretary of State for Canada requests the pleasure of the

company of—." As a result of this very cheap trick I intend to use the list he gave me to send invitations to the ceremonies being held on Friday, on my own stationery. I hope the minister will govern himself accordingly in future.

Hon. John Roberts (Secretary of State): Mr. Speaker, on the same question of privilege, I am astonished—

Some hon. Members: Oh, oh!

Mr. Roberts: A series of these celebrations will be taking place across the country. I could not possibly attend all of them although I would like to be able to do so. These are celebrations undertaken by the government under the responsibility of my ministry quite properly for the purpose of ensuring that those most likely to be able to take advantage of the provisions of this act—

An hon. Member: —are the Liberals.

Mr. Roberts: —will be informed of the details of how they may do so. It seemed to me appropriate to involve members of parliament from all parties in the celebration of this extremely progressive legislation. Members of all political parties in the area concerned have been invited, and in many cases they have accepted. Indeed, colleagues of the hon. gentleman have wholeheartedly accepted invitations to take part in similar celebrations.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Hamilton West (Mr. Alexander) has a fascinating grievance. However, in its substance or form it is not a question of privilege. Both sides have made a contribution to this interesting grievance, but in so far as it relates to a question of privilege under the terms of the rules and precedents of this House, the discussion ought to stop there.

Mr. Jelinek: Mr. Speaker, I rise on a point of order stemming from the earlier exchange between the Minister of Industry, Trade and Commerce (Mr. Chrétien)—I am sorry he is not in the House—and the hon. member for Prince Edward-Hastings (Mr. Hees). I take exception to the fact that at the conclusion of his answer and, after he sat down, the minister was yelling my name across the floor attempting to insinuate that the hon. member for Prince Edward-Hastings' attempts to clarify the reasons for the country's high level of foreign deficit are contradictory to my request made earlier this week for exempting small businesses from the government's textile quotas.

My point of order is to clarify this misleading information that the minister was trying to yell across the floor. Our party's position is that at no time—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. If the hon. member seeks to rectify some irregularity in today's proceedings I would have to be persuaded that such an irregularity has formed part of the record before giving him an opportunity to raise, by way of opposition thereto, the position of his party or himself in respect of the particular argument. At the moment what the hon. member describes is not something that has formed part of the record in today's proceedings. If it has, I would be prepared to hear the hon. member tomorrow. At the moment he is describing something that could be part of today's proceedings. I cannot conclude how that could form a point of order because the irregularity would have to be part of the proceedings before I could give the hon. member the floor.

Mr. Murta: Mr. Speaker, I rise on a point of order and I will be very brief. It arises out of the question I was attempting to put to the Acting Secretary of State for External Affairs (Mr. MacEachen).

● (1510)

In retrospect, I agree that the explanation to my question may have been somewhat lengthy. Nevertheless, I felt it was necessary before the Acting Secretary of State for External Affairs could answer the question to put a lot of pertinent information on record. The question, really, had to do with the incredible bungling of CIDA. If I may have your indulgence, Sir, I would ask for the unanimous consent of the House to permit the Acting Secretary of State for External Affairs, who is in charge of CIDA, to reply to my question. Does he know about the problem, and will something be done about it?

Mr. Speaker: Order, please. I have taken the decision in respect of the hon. member's question, as I have in respect of questions asked in similar circumstances by many other hon. members, that the information sought ought to be sought in some other way. The hon. member put forward greatly detailed information about a particular transaction. I have often said to the hon. member's colleagues in respect of similar questions which have been raised, as I said on two similar occasions this afternoon, that that kind of information ought to be sought in another way. It would be grossly and manifestly unfair to permit the hon. member to have a second run at the same question, unless I would be prepared to do this for his colleagues as well.

ROUTINE PROCEEDINGS

[*English*]

MAIN ESTIMATES, 1977-78

EXPLANATORY STATEMENT BY THE PRESIDENT OF THE TREASURY BOARD

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1978, was presented by the Hon. Robert K. Andras (President of the Treasury Board) and read by Mr. Speaker to the House.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I rise on a question of privilege. I heard hon. members across the floor from me commenting that I was being disrespectful to the Governor General in not standing up when the President of the Treasury Board (Mr. Andras) announced that he had a message from His Excellency, signed by his own hand. I submit that estimates are concerned with the raising of money, and my not standing does not carry any implication whatsoever of disrespect for the Governor General or others. If other hon. members wish to stand up because the cabinet is asking for money, that is their business, but my not standing should not be interpreted as disrespect for the person of the Governor General.

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, the main estimates of federal expenditures for fiscal year 1977-78, which I am tabling today, should dispel any remaining doubts about the government's determination to restrain the growth of federal outlays and to ensure, with the co-operation of other levels of government, that the trend in total public spending does not rise more quickly than the trend in the gross national product. This essential goal of the government's expenditure policy was unequivocally restated by the Minister of Finance (Mr. Macdonald) in his budget speech last year.

My colleague indicated at that time that our target rate of increase for total federal outlays, in fiscal year 1976-77, had been set at a maximum of about 14 per cent, while our forward planning for fiscal year 1977-78, beginning April 1, was based on a growth rate of the order of 11 per cent.

Today I am able to inform the House that increases in both forecast expenditures for the current fiscal year ending on March 31, and planned expenditures for the new 1977-78 fiscal year, are expected to be lower than the targets announced by the government last year.

First, as a result of the relentless monitoring and control of spending plans exercised by the Treasury Board throughout the fiscal year, the most recent forecast indicates that total federal expenditures in 1976-77 will be less than the $42.2 billion projected by my predecessor last February. As a result, the percentage increase in total spending to be recorded in the current fiscal year is likely to be lower than the government's target of 14 per cent, and also lower than anticipated GNP growth.

I emphasize that, when I speak of total spending, I really mean total spending—all budgetary outlays and all non-budgetary financing, both statutory and non-statutory, included in the main estimates, supplementary estimates A, B and C, as well as any other supplementary estimates which may be tabled before the end of the fiscal year 1976-77.

Second, I am able to announce that federal expenditures are expected to be about 7 per cent higher, in fiscal year 1977-78, than the level of spending planned for 1976-77. That percentage increase will be marginally higher if, as currently forecast, we manage to hold expenditures in the current fiscal year below the target figure of $42.2 billion.

Main Estimates

The 1977-78 expenditure plan adopted by the government therefore provides for total federal expenditures of approximately $45.1 billion. Hon. members will note that the plan aims at an over-all percentage increase considerably lower than the 11 per cent target posted last May by the Minister of Finance. Barring unforeseen developments in general economic conditions, the growth of federal spending will be cut almost by half; it will have been cut for the third consecutive fiscal year; and it will be lower than the rate of growth in the country's GNP.

In other words, the main estimates for fiscal year 1977-78 reflect current concerns in Canada about public spending trends. It responds to these concerns in a responsible manner. If I were at liberty to put a label on the bluebook, Mr. Speaker, I would call it responsible and responsive.

Two factors account for this achievement. One is the government's decision, after consultation with the provinces, to propose new financing arrangements for hospital insurance, medicare and post-secondary education—programs launched jointly, several years ago, by the federal government and the provinces, and which are now well established.

While the new arrangements involve the transfer of tax revenues for the federal treasury, they also reduce substantially federal statutory payments to provincial governments by approximately $970 million in fiscal year 1977-78.

The other factor which explains why the government has been able to best its own spending target for the coming fiscal year is summed up in one word: restraint.

It is no secret, Mr. Speaker, that the review screening and pruning of departmental spending plans which started a year ago and ended barely three weeks ago—much later than usual—has been conducted with a rigour almost without precedent. It has been a tough year for the Treasury Board, a tough year for its secretariat, and a tough year for all federal departments and agencies.

"Vingt fois sur le métier remettez votre ouvrage", the French rhetorician Nicola Boileau instructed poets, a couple of centuries ago. Although there are few poets on the Treasury Board, I can assure you that on more than a couple of occasions since last spring we instructed our officials to put spending plans once again through the grinder.

● (1520)

The results of these successive and detailed reviews of departmental submissions are now self-evident: the dollar increase in planned federal expenditures for the new fiscal year is $3 billion—$2 billion less than the dollar increase forecast for 1976-77, almost $3 billion less than the increase recorded in 1975-76, about $3½ billion less than in 1974-75, and $1½ billion less than in 1973-74.

In other words, Mr. Speaker, despite much lower but still significant inflation, and despite the ever-increasing demands for federal services caused by population growth and the continuing expansion of the Canadian economy, the increase in planned federal expenditures during the coming fiscal year will

actually be smaller, in absolute terms, than in any of the preceding four fiscal years.

Needless to say, a great number of highly commendable proposals to expand and improve federal programs has to be sacrificed or postponed. In fact, the Main Estimates for 1977-78 include financial provisions for only one major new program, namely, the employment strategy to be implemented in the course of the new fiscal year by my colleague, the Minister of Manpower and Immigration (Mr. Cullen). Yet the Treasury Board has been able to restrain the growth of expenditures in a socially-progressive way, without distorting government priorities and without unduly impairing the ability of departments and agencies to deliver to all Canadians the essential public goods and services they expect from their federal government.

To achieve these goals, I asked, I expected, and I obtained the co-operation of the public service; I will ask for and anticipate receiving it again this year.

It would have been too much to expect ministers and departmental managers, concerned as they are about the effectiveness of the programs they administer, to enjoy the cut of restraint; but I must commend them for having accepted it all, if not with equanimity, at least with a good measure of stoicism and fairly restrained protest.

To avoid any misunderstanding about our expenditure policy, I emphasize that the $45,120 million figure for total spending projected for 1977-78 includes all budgetary and non-budgetary outlays by all federal departments and agencies for the 12 month period beginning on April 1, 1977.

An hon. Member: What about supplementaries?

Mr. Andras: It includes the anticipated supplementaries.

It includes not only the Main Estimates of $44,142 million which I am tabling today, but also reserves of $1,850 million for the supplementary estimates which may have to be tabled in the course of the fiscal year; and the aggregate of these two figures has been adjusted to take into account the customary lapses in credits voted, which are conservatively estimated at $872 million.

The Main Estimates proper include $41,145 million for budgetary outlays, the bulk of which will finance programs which are essentially redistributive in nature.

Many Canadians still have the notion that the money they pay in taxes to the federal government serves mainly to finance huge bureaucracies and remote agencies. Yet the operating and capital expenditures of all federal departments and agencies are expected to account in the coming fiscal year for less than one third of budgetary estimates, namely, $12.9 billion; and this includes the $3.8 billion required for National Defence.

I hardly need to remind hon. members that public servants, like other Canadians, spend most of their income on consumer goods, and that the federal government as my colleague the Minister of Supply and Services (Mr. Goyer), can attest—is the largest single customer of Canadian industry; so that what we will spend on goods and services during the coming fiscal year will sustain, as in previous years, output and employment in the country's private economy.

But the point I wish to make, Mr. Speaker, is that almost 69 per cent of the budgetary expenditures forecast for 1977-78 will not really be "spent" by the government, in the sense that these moneys will not be used to pay the salary of public servants, or to build new federal buildings, or to buy furniture, paper clips and typewriters for government offices, tanks or planes for the Armed Forces, uniforms for the RCMP, and so forth.

Over $26 billion worth of so-called government "spending" will actually be paid back to individual Canadians in the form of social security payments, grants and subsidies, or transferred to their provincial and municipal governments, or used to pay interest to government bond holders, the vast majority of whom are Canadians. Therefore the federal government will directly plough back into the Canadian economy more than two-thirds of tax revenues and borrowings required to finance its budgetary expenditures during fiscal year 1977-78.

The same can be said of the $3 billion dollars required for non-budgetary outlays. These will be used to make investments in Crown corporations and to extend loans or advances to various departments and agencies such as the Central Mortgage and Housing Corporation, the Export Development Corporation, the Federal Business Development Bank and the Farm Credit Corporation. Consequently the bulk of the federal government's non-budgetary outlays will indirectly finance private expenditures such as housing, business and farm investment, or exports of goods and services.

I should point out that the 1977-78 Main Estimates include for the first time all non-budgetary items which are expected to be made under existing legislation, as well as those which must be included in appropriation bills.

In conclusion, Mr. Speaker, I would like to draw the attention of hon. members to a further dimension of the Main Estimates, namely, the manpower requirements of the public service during the next fiscal year. You will recall that my predecessor announced in the fall of 1975 the government's determination to curb and eventually stabilize the growth of the federal public service. The percentage increase of authorized manpower resources was reduced to 4.1 per cent in 1975-76; and the ceiling on public service growth was drastically lowered to 1.3 per cent in 1976-77.

A thorough review of manpower requirements in departments and agencies has enabled the government to project the growth of the public service at a still lower level in 1977-78—in effect, virtually to stabilize it. We have set the maximum level of authorized man-years in departments and agencies under Treasury Board Control at 323,272 in the new fiscal year—an increase of 2,081 man-years, or about six-tenths of 1 per cent, over the 1976-77 Main Estimates level. This is close to the "zero growth" target which has been suggested by some in recent months; but it has been achieved through successive assessments and reassessments of just what minimal manpower requirements were in each department or agency, rather than

through the setting of an arbitrary target for the public service as a whole, or the imposition of across-the-board percentage cuts.

We have thus been able to streamline the public service without impairing its ability to produce and deliver essential services; and we will press on, in the new fiscal year, with improvements in public sector productivity, notably through better and more extensive measurement of performance.

I hope to have established, Mr. Speaker, that the government is in firm control of both the public treasury and the public service. In the framing of our expenditure plan for fiscal year 1977-78, we have taken steps to make that control more effective; and we will continue to do so during the next budgetary planning period, which has already begun.

Restraint must not be confused with stagnation. The government must continue to respond to essential public needs. But it must ensure that its expenditure planning is responsible as well as responsive.

• (1530)

Mr. Don Mazankowski (Vegreville): Mr. Speaker, may I at the outset thank the minister for providing me with an advance copy of the statement he has just delivered to the House, and also for giving me a sneak preview of some of the salient points in the estimates which have been tabled this afternoon.

On the basis of a quick examination of the estimates we have been given, and assuming we can accept the sincerity of the minister's statement, I believe I can say on behalf of my party that we generally approve of the government's desire to moderate expenditures, and the direction it is taking in this regard. I only hope the government's aspirations will be translated into reality. I trust, as I say these things, that in the course of our examination of the estimates and the specific proposals contained therein we shall not discover any surprises or juggling of figures which would contradict the position which seems to be inherent in the minister's message this afternoon.

I should like to take this opportunity to say that we in this party have provided a large measure of leadership in badgering the government to act more responsibly in relation to its expenditures. I trust the minister has paid heed to some of those speeches. I hope he will bear in mind that we have stressed the need for moderation in the growth of federal expenditure for a long time. We have also been concerned about the ever-increasing percentage of the gross national product being extracted by all levels of government, and to judge from the minister's statement this afternoon it would seem the government has taken heed of this aspect, too. I congratulate the hon. gentleman and I trust he will be successful in bringing in the degree of moderation which, I believe, all Canadians want to see, in government expenditures at all levels.

While the government has demonstrated a certain moderation, and while it has imposed restraint upon all Canadians, I have to say it appears to have imposed a lesser degree of restraint upon itself than upon Canadians generally. The estimates tabled today show that restraint is painful for government, that is, if we can call an additional expenditure of $3 billion an example of restraint. It must be pointed out that in this case the pain is lessened by exporting most of it to the governments of the provinces. While the percentage increase indicates moderation in spending at the federal level, it is, to some extent, illusory rather than real.

As the minister has stated, we must add at least $970 million to the planned 1977-78 figure if we are to compare it with the figures for the last fiscal year with any degree of consistency. That $970 million represents the additional amount the government would have been called upon to pay in fiscal 1978 if it had not transferred the burden of what used to be cost-shared programs to the provinces. While fiscal transfers to provinces amounted to 11.7 per cent in the main estimates last year, we find that the amount shown in the estimates tabled today accounts only for some 7 per cent, indicating a major shift of the burden to the backs of the provinces. If we are to be consistent when comparing actual spending this year with spending last year, it would seem to me that the real increase would be closer to 10 per cent rather than the 7 per cent about which the government is gloating.

When we look at percentage figures, increases or decreases may look somewhat modest. They should not be allowed to obscure the overwhelming sum with which we are dealing. After all, $45.1 billion is a huge sum of money. As far as the operation of trimming government fat and excessive expenditure is concerned, I have to say that it has been largely a cosmetic exercise. We find the first acknowledgment of the need for restraint in the budget of January 23, 1975. On July 7, 1975, and again on December 18 we were presented with itemized accounts of planned reductions in expenditure. It now seems only normal that we should ask the government to table an up-to-date accounting showing precisely whether and where those cut-backs took place. The government should identify the areas in which restraint was shown, and I urge the minister to do so in order that we may know precisely whether or not a true effort has been made to trim government fat and unnecessary expenditure.

We need only look at the Auditor General's report to find many opportunities of cutting back on waste and extravagance. For example, in December, 1975, the then president of the treasury board indicated that planned expenditure on accommodation for the Public Service had been cut, particularly as a consequence of the greatly restricted growth in numbers. He told us that the provision in the Main Estimates in 1976-77 for the construction of public buildings would be $30 million less than in the 1975-76 Main Estimates. What did the Auditor General have to say in his report tabled in November? He said at page 17 of the Conspectus: "We found that the present use of space exceeds the guidelines by more than 30 per cent." That is the sort of waste which we consider should be looked into and dealt with.

In the area of consultants' services, here again the former president of the treasury board, speaking on July 2, 1975, as reported at page 7182 of *Hansard*, had this to say:

My deputy minister wrote to deputy minister and organization leaders urging them to take measures aimed at lowering consultants' and travel expenses during the present fiscal year. That letter has to do with expenses that are not essential to the permanent efficiency of programs.

Have we seen any cut-backs in expenditure on consultants and professional services? I have just glanced at the bluebook and it seems to me the figure is still around $1.2 billion. The minister smiles and laughs. Where are these cut-backs? Where are these reductions in expenditure?

Mr. Andras: That figure includes manpower training, occupational retraining—

Mr. Mazankowski: The fact of the matter is that what the government says it will do is a far cry from what it does.

Some hon. Members: Hear, hear!

Mr. Mazankowski: When we are dealing with figures of the magnitude of $42 billion we should bear in mind that small percentages are translated into huge amounts. For example, an increase of six-tenths of one per cent in the numbers in the Public Service produces an additional 2,081 man-years, and an increase of 7 per cent in federal government expenditure increases total spending from $42.1 billion to $45.1 billion. Therefore while the percentages are modest, the aggregate totals become increasingly overwhelming.

● (1540)

I am sure that Canadians are going to be concerned about the size of federal government expenditures. I think they are also deeply concerned about another matter, namely, how the money is managed after it is allocated. As one travels across the country and witnesses the number of editorials written in daily newspapers, Mr. Speaker, it is clear that Canadians are worried. They are worried when the Auditor General says that parliament, and indeed the government, have lost or are close to losing effective control over the public purse. It seems to me that if the government were really serious about the concerns of Canadians, accompanying these all time record spending estimates we would have had the announcement by the minister of the appointment of a comptroller general who, coupled with the senior financial officer of every department, agency and Crown corporation, would be charged with seeing that after spending is allocated it is properly controlled.

Even more basic, Mr. Speaker, the Auditor General has stated that one of the major barriers to restoring parliamentary control is the form of the estimates themselves. I regret to say to this House that I have not seen a significant improvement in the form and content of the estimates themselves. There has been no substantial change. The committee structure which is set up to analyse and scrutinize these estimates is insufficient to deal item by item with matters that have to be studied in detail. They are then subjected to the guillotine rule, which assures that many of these items will not be thoroughly examined. Many will not be touched at all.

We have all read the Auditor General's remarks on financial control of the government of Canada. A large part of the moneys that we are dealing with today are going to be distributed to Crown corporations. In this area all semblance of fiscal responsibility is lost. As Mr. Ross of the Auditor General's office said before the Public Accounts Committee, Crown corporations have not been subjected to a high degree of accountability, and they have received an unusually high degree of financial freedom.

We have only to look at the events surrounding AECL and Polysar to indicate what has happened to the freedom which has been granted to these Crown corporations, Mr. Speaker. We have so many Crown corporations today that the federal government and Auditor General have found it impossible to tabulate them all. There is no complete list of federal Crown corporations available. Hopefully we will be able to prepare one some time during the course of the this year.

Crown corporations too should be subjected to an in depth examination annually or biennially by a committee with adequate resources. Any Crown appendage must be subjected to the provisions of the Financial Administration Act if there is to be any degree of effective monitoring and control.

In conclusion, Mr. Speaker, arguing over which one of the government's illusory figures showing how much spending has increased is correct will not arrest the fears of Canadians regarding how their money is spent. This is money held for them in trust by the federal government. I say to this House that positive and immediate action is needed to reform the estimates, to appoint a comptroller general to examine the management of Crown corporations, and to strengthen our committee system. Then, and only then, will we be able to restore faith in our system of parliamentary democracy.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, if I were to paraphrase the coy and ingenuous manner in which the minister put forward his description of his statement, when he called it responsive and responsible, I would have to put it in somewhat more simple and, I am sorry to say, accurate language, and describe it as just plain stupid. It may be responsive in the sense that a Liberal government has picked up every antiquated idea of the Tories. The government has taken a look at the Gallup poll and it has seen that the Tories are doing very well. It has then asked its own people, why are the Tories doing so well?

An hon. Member: Because we will do well.

Mr. Saltsman: Well, hon. members are a noisy lot, but that is not why they are doing so well. The Tories are doing well because they found some terribly old-fashioned ideas and have taken them right out of the eighteenth century and are dragging them around.

Some hon. Members: Hear, hear!

Mr. Broadbent: Just listen to the Tories cheering.

Mr. Saltsman: Yes. Therefore, "Let us not look at how outmoded, outdated and inappropriate those ideas are", says

the government, "they seem to be working so far as the Gallup poll is concerned, so we will adopt them."

It is one thing for us to sit here in the social democratic corner and wince. But, Mr. Speaker, if there are any true Liberals in this country they must be crying today when they see the kind of estimates that have been tabled in this House. They are irresponsible in the extreme. This government—any government—has the responsibility to lead, not to knuckle under to the hysteria created by an irresponsible opposition which is sitting opposite and grinding its own axe. In tabling its estimates the government is behaving in the way that is usually attributed to generals—it is fighting the battles of the past instead of looking at the problems of today.

The government's estimates reflect an economic ignorance matched only by a blind disregard for the crisis of unemployment. The estimates that we see today would have been more appropriate for an economy that was bursting at the seams. If the government had brought these estimates in four years ago, there might have been some sense to them. But to bring in this kind of restraint at a time when there are one million unemployed in this country, and when the major objective of the government, indeed of any government, is to put these people back to work, is criminal.

It is senseless in another way, Mr. Speaker, and let me give a number of examples of the kind of senselessness that we are being asked to accept. On the one hand the government is holding down its manpower requirements in the coming year to virtually zero. Then it turns around and brings in a program called Canada Works, designed to create jobs elsewhere in the public sector which are going to be more costly and less effective. We have people coming out of universities who are looking for jobs, yet the government is going to bring down the guillotine on jobs. The government is compounding the unemployment problem.

The government's position for a long time now, aided and supported by the official opposition, has been that it has to get out of the economy. It has to get out of stimulating the economy and let the private sector in. To some extent, if that were going to work, it would be understandable. But instead the government is getting out of the economy, the private sector is getting out of the economy, and no one is getting into the economy. Under those circumstances even the most free enterprising of governments—for example, the United States—should recognize that there is a heavy responsibility on government to provide employment if the private sector has failed to do so. And the private sector has failed to do so, Mr. Speaker.

Some 83 per cent of our plant capacity is being used. There is an enormous gap in confidence, and lack of stimulation. Instead of the government stepping into the breach, even a private enterprise government, and saying, "All right, we have to supplement what is going on in the private sector", and instead of stimulating the economy, the government is walking away from its responsibility. It is the R. B. Bennett of the depression days; it is the Hoovers all over again, talking about balancing budgets when in fact the government should be creating employment. In my view, it is a most irresponsible thing for the government to do.

● (1550)

To take another example, the government is holding its capital expenditures, the amount of money it spends on capital works, to about the same level as it has over the previous years, this at a time when the private sector is not engaged, when we have one of the highest levels of unemployment in the construction industry which this country has seen, when we need houses, when we need sewage disposal plants, and when we need to upgrade insulation in public and private residences in view of the higher cost of energy. At this time the government is opting out. When is the government going to do all that?

Public transportation should be improved. When will the government do it? Will it wait for full employment and then decide to stimulate the economy and create inflation? Or perhaps it figures we will never have full employment. If it continues in the direction in which it is going now, we will never have full employment or anything approaching it.

I gave the government credit—perhaps I should not have—for having a little more sense than it has, but it does not seem to have any at all. It is one thing for ministers to take the heat off themselves, as apparently they have done, but I found the Conservative party's response to the government measures was awkward. The Conservatives were finding it difficult to criticize the proposals which the government introduced. If it was the government's objective to neutralize the Conservative opposition, it has achieved it. In the criticism levelled against the government's estimates, the official opposition stopped criticizing the contents of the estimates and reverted back to saying they do not like the form in which they were introduced. That is the most biting criticism they could mount on the estimates. That is the kind of thing that has been put forward to the House.

I think that the government's behaviour at a time of enormous unemployment in the country is absolutely disgraceful.

Some hon. Members: Hear, hear!

Mr. Saltsman: A reduction in government expenditures may be a virtue under certain circumstances, but in the light of the one million unemployed in this country, the government's conduct is callous, misguided, and is boot-licking the rich in Canada.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, first I would like to thank the President of the Treasury Board (Mr. Andras) for providing on time, to me and my colleagues, the French background information on the main estimates for the financial year 1977-78.

These estimates amount to some $45.1 billion for financial year 1977-78 and show a real increase of $3 billion over financial year 1976-77. I would like to make an immediate reference to the *Reader's Digest* of January 1977, page 80,

where it is stated—and it does not come from Socred analysts but the *Reader's Digest*—and I quote:

[*English*]

In ten years, the budget has skyrocketed 350 per cent from $8.8 billion to a forecast $39 billion in this fiscal year (April 1, 1976 to March 31, 1977).

[*Translation*]

Well, Mr. Speaker, in light of such estimates I would like to correct the *Reader's Digest's* report that the budget rose from $8.8 billion to $45.1 billion, an actual increase of about 500 per cent over a ten-year period.

The government is trying to hide that increase by manipulating the figures and presenting the budget increase in regard to the gross national product in an attempt to sell us the idea that it accomplished financial miracles in connection with its budgets or the gross national product. I do not care for comparisons in increasing expenditures or estimates in relation to the GNP because if you take out of the GNP the drop in the value of the dollar caused by the increase in the cost of living you come to a first conclusion that national output in 1976 in terms of real dollars amounts to about 10 per cent more than the national output ten years ago. If, on the other hand, you exclude the output by new Canadians who have entered the labour market over the last ten years from the 1976 national output you realize that the per capita GNP in 1976 is the same in terms of real dollars as in 1966. So there was no actual increase in the GNP per capita during the 1966-76 fiscal year. That increase is due to inflated figures as shown by the consumer price index which rose by 72 per cent from 1965 to 1975.

Mr. Speaker, I would like to make an extremely important second point about the GNP and it is this: The GNP figures include amounts that are more a liability than an asset for this country. Let me explain. The gross national product includes—to use only that example—all sales or exports of raw materials such as asbestos ore or various forms of energy, or all other sales of iron ore or non-renewable natural resources. Those sales have inflated our GNP whereas if our natural resources were processed in Canada they would increase the gross national product much more and at the same time help reduce unemployment.

Once again, Mr. Speaker, I would like to point out to the House that 55.7 per cent of the budget expenses tabled this day are statutory expenses, which means that the House cannot discuss nor change them, and that the first item, the largest statutory expense, amounts to $5.38 billion. These undebatable $5.38 billion statutory expenses are not meant for unemployed, handicapped or sick people, and even less for provinces strangled by finance to such an extent that unfortunately several of them are, like Quebec, thinking of separation, with the thought and belief that they will all by themselves get strangled less severely and less quickly without the co-operation of the federal government.

Mr. Speaker, these $5,388 million will go to the little people, the little people of the financial world for having financed 94 per cent of Canada saving bonds or of our national debt, a financing which should have been done through the Bank of Canada, as it was suggested yesterday by my hon. colleague, the member for Bellechasse (Mr. Lambert) in a motion tabled and discussed in the House.

The transfer of monies to the provinces for fiscal year 1977-78 will be around $2.88 billion whereas the transfer to the financiers of saving bonds will be twice as high. If they want transfer payments, the provinces have to beg the federal government, discuss, fight and be disappointed, while the chartered banks do not even need to attend federal-provincial conferences because, by statute, they come at the top of our spending to such an extent, Mr. Speaker, that we are not even allowed now to discuss it in the House. Mr. Speaker, unfortunately we shall soon see the day when the federal government will have to choose between financiers and their annual transfer payment of $5,388 million and the Canadian provinces which are fighting to get $2,880 million in transfer payments.

[*English*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the minister. It is obvious we will not get a change in the form of the estimates we talked about earlier this year when the Auditor General's report came down. As members of parliament, who have the primary responsibility of examining government estimates before granting supply, we are still faced with the same problem.

• (1600)

Given the fact that as of this moment there are 14 standing committees examining the estimates of approximately 32 government departments, not counting government agencies, and given the fact that Standing Order 58(14) requires that all the estimates will be deemed to have been reported back to the House and approved as of midnight, May 31, can the minister assure us now that all the estimates which he released today will be examined in committee? I ask that question because it has been the experience of the last few years—and if we examine the record we will find that this is a fact—that there has not been a year in which all departments came before the committees for an examination of their estimates, and consequently some of the moneys had to be voted by the House without any examination whatsoever. In light of what the Auditor General said about the government and parliament losing control over spending, can the minister at least assure us that every department will be scrutinized by a committee of this House?

Mr. Andras: Mr. Speaker, I would like to reflect on that. I might as well admit frankly that I am not exactly sure of any plans to change the process by which we examine estimates from what it has been in the past, at least between now and the deadline of May 31. All I can say is that the hon. member can be assured of my co-operation to the degree I can influence a thorough examination of the estimates. I know the problem. It is not entirely a matter of the attitude of the government. It is a problem of the complexity and volume of issues with which we have to deal compared with the number of hours in which we can deal with them.

As far as the comment about the form of the estimates is concerned, I indicated shortly after I took this portfolio, I think in response to the hon. member for Vegreville (Mr. Mazankowski), that with regard to the question of the form of the estimates I was sympathetic to the need for more detailed information but that I doubted very much if it would be possible to introduce those changes for the main estimates this year for a reason I knew then, and that was that it would be a commitment to the members of the Public Accounts Committee particularly in their participation in the revision of the form of the estimates.

I can say now that I am more familiar with the problem than I was then, and there is a great deal of work and planning for some improvements which is going on and which, I hope, I will be in a position to announce with a fair amount of conviction in the not too distant future.

As to the estimates, I would be glad to co-operate to the degree I can, but I cannot make more time than has been available.

Mr. McGrath: Perhaps by way of a supplementary I can amplify or crystallize exactly what I am looking for from the minister. Will the minister give us an undertaking that he will examine the experiences of the last three years? Such an examination would demonstrate to him that there were departments last year, the year before, and the year before that which never did get before committee for examination of their estimates. Since we are talking essentially about the management of the House, can the minister at least give us an undertaking, given the concern about government spending—and rightly so—that he will consult with his colleague, the government House leader, so that we can be assured that there will be a sense of priority on the part of the government House leader and the committees of the House with regard to the examination of estimates and that, notwithstanding any other government legislative program, estimates will receive priority by the committees?

Mr. Andras: I will certainly examine the practices. I myself have been party to those practices in terms of having taken the estimates of my former ministries before committees. To the best of my knowledge they have been examined before those committees. I appreciate that when we get down to the deadline there is often not enough time to go over them in detail. If that is what the hon. member is referring to, I will co-operate to the maximum, but I think it becomes a question of procedures to which all of us are party rather than government initiative by itself. However, I would be glad to look into it.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I would like to ask the President of the Treasury Board (Mr. Andras) a question. Given the fact that the amount of spending increase the minister has indicated is virtually nullified by the increase in inflation, and if we are spending about the same amount in this year's estimates as last year in real dollars, and if we have one million and more unemployed, would the minister please try in a brief way to justify what kind of fiscal conservatism we have at this time, and specifically, could he explain to us why such important human and job-creating areas as housing, for example, have been cut by $30.6 million for next year, and urban renewal spending by $1.6 million, and could he explain to the people of Canada why the government embarked on that course of action?

Mr. Andras: Mr. Speaker, on this occasion I do not want to go into detail on all the figures in the bluebook, but with regard to housing I believe there was a reduction in the capital budget estimate, to which the hon. member referred. However, as I recall there was an increase of about $267 million in the operating aspect of the housing program, and I think that represents a 70 per cent or 75 per cent increase. One would have to take the whole thing together. I appreciate that the hon. member has not had an opportunity to do more than pick out a few things—and I am not making any accusations or allegations—but I think there is a deeper consolidation he might want to make before he gets too far out on a limb and makes that kind of statement.

With regard to general philosophy we have experienced substantial increases year on year over the last several years, as the hon. member well knows. There are many philosophical differences which could be debated here as to which way is the best way to stimulate the economy or the best way to attract investment, create jobs in the private sector, or spend our way through the public sector, but as the hon. member knows, he is arguing about the degree of these things. There have been increases for job creation and manpower training. These are designed to increase the opportunity for people to get gainful work while the economy is still slack. I suppose it is a question of philosophical argument.

Mr. Broadbent: Assuming that the philosophy of the government remains constant—and that is politeness on my part—I would like to ask the minister how he can explain the difference in spending from the 1971-72 period, when roughly three times the amount was allocated to direct job creation programs, from that being allocated now in the estimates for the forthcoming fiscal year when unemployment in the coming fiscal year is expected to be much higher than it was back in 1971-72. If there is any consistency in the philosophy of the government, why is spending not at least at the same level in direct job creation programs now as it was back in 1971-72?

Mr. Andras: I must seriously argue with the hon. member as to the accuracy—albeit inadvertent—of that comparison. It has been a few months since I was directly familiar with tracing the size of expenditures through those years, but I certainly do not recall a three to one difference in those ratios, as the hon. member has indicated. I would certainly want to see a consolidation of the job creation, employment producing measures today compared with what they were in 1971-72 or in any other year. If the hon. member brought them all together, I really believe he would find that there has been a steady increase. I have some personal familiarity with this, so I will try to get the figures together in an honest comparison to see what the relevance is.

Main Estimates

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in terms of the area I represent there is a trend in the estimates which worries me, and that has to do with the Public Service of Canada. The minister made a great play of reducing the size of the Public Service, although not by much, but in terms of the people and the families which will be involved by quite a considerable amount. At the same time the estimates indicate an increase in the cost of outside consultants. I just wonder how the minister can justify that kind of thing, which is really exchanging, I suggest, one form of expenditure for another, and in fact is moving more and more in the direction of not using the talent which is in the Public Service already. Would the minister care to comment on that?

Mr. Andras: I think the hon. member would be wise to reflect for a day or two on his comment about the increase in the cost of outside consultants. This is most frustrating for me because I have been trying to explain privately to some of my colleagues on the other side that this has got off the track. That billion dollars includes the purchase through the provinces of manpower training and adult occupational training.

● (1610)

An hon. Member: Give us a breakdown.

Mr. Andras: There is a special breakdown in the blue book. I cannot remember the number of the page but I hope hon. members read that thoroughly. I do not think they will find there is a significant increase in outside consultants. There may be a significant increase in the totality of those expenditures, some of which are related to the desire of the hon. member for Oshawa-Whitby (Mr. Broadbent) to see employment inducing measures in our expenditures. That particularly is manpower training with which I have some familiarity. In the generality, Mr. Speaker, the hon. member has indicated that he said "a reduction" in the Public Service. That is not the case. It is a reduction in the increase of the growth of the Public Service; it is not an absolute reduction. Frankly I wish we could have zero growth. By rather detailed analysis of various departments, we have come to the conclusion that a 2,081 increase in the Public Service is what we can live with for 1977-78. I will be very blunt about it; I intend to keep examining that.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I undertake to look at the matter of consultants and I would like to have an opportunity to study the breakdown. I put to the minister, by way of preamble to a second question, that one of the concerns in the Public Service is the increase in the use of outside people to do jobs for which there is already expertise within the Public Service. I think we ought to use that expertise.

The second matter I wanted to raise is the question of the rules of this House. This is a matter I raised with the Prime Minister (Mr. Trudeau) the day before yesterday. I refer particularly to the power of the Public Accounts Committee to subpoena, to examine, to choose the evidence it would bring forward. The minister has indicated he is prepared to look at the committee procedures. Is he prepared to recommend to his colleagues an increase in powers that would give the committee more of the investigative potential it has within the parliamentary system? Is he prepared to stand behind the Public Accounts Committee and the powers it needs to investigate government expenditures?

Mr. Andras: Mr. Speaker, that is a pretty wide-ranging probe that the hon. member is enticing me into. I may have sympathy but I am not going to express it today. I will re-examine that with the utmost care.

If I may come back to the preamble, Mr. Speaker, if we have the expertise inside the Public Service for analysis of a particular subject, obviously we should not go out and duplicate that.

There are cases, however, when we want confirmation or a different approach, and I think this is reasonable if we do not carry it too far. Surely the hon. member, as protective of his constituents in Ottawa as he is, would not suggest that we should create a permanent establishment of consultative requirements when we could get the information required in two months by paying a fee. That way we would not have the growth in the Public Service that goes with a permanent employee, a secretary and all the other things concerned. Surely if this is done within reason it is the wiser approach.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I want to make it clear to the minister that it is my contention that the Public Service of Canada is in many ways under-utilized and under-challenged. One of his predecessors indicated that was a problem but we could pursue it in another forum.

With respect to the discussion of the estimates, it is a fact that many estimates are not examined by committees, and it is a fact that parliament approves billions and billions of dollars in estimates without any scrutiny whatsoever. Is the minister in a position to say what his view is with respect to the rules of the House? Can we find a proponent for change to allow scrutiny on an unlimited basis of some departments in some forums of this House, either this Chamber or some other forum—a forum for the examination of the policies of the government, its expenditures and programs? Do I find a sympathetic ear within the government for that purpose?

Mr. Andras: Within reason, Mr. Speaker.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, pursuing that line of questioning, I do not have to remind the minister about one of the most important functions of parliament, a traditional role and a very important part of our responsibility, that is, to examine the expenditures of government.

The hon. member for St. John's East (Mr. McGrath) brought to the attention of the minister that in the last three years there have been examples where some departments have never had the first item of their estimates considered. One example is the Post Office. I find this to be incredible in view of the problems we have experienced with the Post Office over the past three years. When we think of the operation of that

important department we wonder what kind of planning the government undertakes with respect to scrutinizing the affairs of its departments.

May I ask the minister if, with the government House leader, he will ensure the right of each committee to determine its own activity, and ensure that government estimates receive high priority in the organization of the affairs of the House? Will he give that undertaking now, notwithstanding the fact that he is not now going to institute other changes of a more substantial nature?

Mr. Andras: Mr. Speaker, that is the kind of question I have been receiving in different forms. I do not think I can add to what I have said already. The deeper I get into this the more I understand the need for time to move on it with better concentration. My information is that as a government there are some adjustments we are going to have to make in discussions with the Auditor General etc. A great deal of the rest of it is the decision of this House. I can only indicate some understanding of the concerns and a sympathetic response, but I will not make any specific procedural commitment at this stage.

Mr. Hnatyshyn: Mr. Speaker, I just want to make a proposal for the minister to consider with the government House leader. It seems to me it would be sensible for the minister to give an undertaking that he will at least ask the government House leader that these estimates be brought to the Committee of the Whole so that we can be assured no department will be left without being examined. That way we would know, with the time limit involved, that we have an opportunity of examining every department. That is a simple proposition. It does not require the instigation of any fundamental change in the procedures. It seems to me the minister could give that undertaking.

Mr. Andras: Mr. Speaker, I will be glad to look carefully at that representation.

Mr. Speaker: I shall recognize the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), followed by the hon. member for South Shore (Mr. Crouse). I think that should conclude the questioning.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, one of the matters which has concerned members for a good many years is the apparent lack of effective control over Crown corporations, not just with respect to their day-to-day operations and not just with respect to little scandals which turn up, such as payments by AECL and kick-backs by Polysar, but the control of the expenditures, the borrowing and priorities which are pursued by the Crown corporations.

● (1620)

I want to ask the minister two questions. What effective control is exercised by Treasury Board over Crown corporations? Does Treasury Board have complete control of their budgets, that is to say, both their current and their capital budgets? Does it exercise control over their borrowing powers, and over priorities to be used in establishing borrowings? Does it have any role with respect to the disposition of surpluses which Crown corporations may have accumulated by the end of the year? Is any surplus remitted, in theory, to Treasury Board; does Treasury Board decide whether all of it or some of it shall be returned to the Crown corporation for development, in addition to other funds for which the minister responsible may ask? What type of control does Treasury Board exercise? It is extremely important for the House to know this. Certainly there is no adequate opportunity for hon. members to acquire this information.

Mr. Andras: Mr. Speaker, it would take a fair amount of time to respond to the specific parts of that question. Without generalizing too much let me say that so far as I am concerned there must be greater control of Crown corporations. I will be making specific recommendations, to which I may reasonably anticipate my colleagues will agree.

Mr. Mazankowski: Will there be recommendations for greater parliamentary control?

Mr. Andras: Yes. They may include greater control by the government, greater parliamentary control, and greater access by parliament to the whole system of information, annual reports, etc. I will not anticipate because I do not have those recommendations in my hot little fist yet; but I share some of the concern which has been raised.

This question brings to the fore another question, that of avoiding or at least of recognizing the danger of using financial control to gain other kinds of control over a Crown corporation. As you know, it is a fact of life that those who have the bucks have a lot to say about what should or should not be done.

An hon. Member: Why not have such control?

Mr. Andras: I am sure that there are a great number of enthusiasts in this House, in all parties, who would exercise such control in some Crown corporations, but we had better understand what we are getting into. As for financial control, I really have no argument about that aspect of the question. I think we all recognize that it is time to step in and gain a much clearer understanding as to the kind of authority which exists with regard to capital budgets, operating budgets, etc. Certainly parliament should have access to such information, to the maximum possible degree. It is time for certain procedures to be reconsidered.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am sure hon. members will be pleased by the minister's reply. We shall be looking for action along the lines he indicated. I point out that it is the right and obligation of both the government and parliament to exercise financial control, because public moneys are being spent, and if a Crown corporation incurs debts and cannot by virtue of its operation retire them, the taxpayers of Canada, finally, will have to repay the money owing.

The minister partly anticipated my second question. I should like to know not only what control Treasury Board has but what control parliament has. During all my years as a member of parliament I have never seen a thorough investigation by any committee of the House of Crown corporations. I recognize that it is not possible to do this between the present time and May 31 because the committees to which estimates are referred will be dealing with those departmental estimates. Therefore it is not likely that they will be able to devote much time to Crown corporations. But it seems to me that it would be possible, if the government were prepared so to do, to refer the annual financial reports of Crown corporations to appropriate committees, which could deal with those questions after we have disposed of the estimates. That procedure would give the respective committees the opportunity to look into such entities as Canadian National Railways, which has not been examined for many years, Air Canada, and other Crown corporations about which the public knows little and about whose financial management the members of this House know little. I do not know how much the cabinet knows about the financial administration of some large Crown corporations.

Mr. Mazankowski: Right on.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I ask the minister if it is not possible to work out with his colleagues and with House leaders a *modus operandi* whereby it would be possible to bring the financial reports of each of our Crown corporations before some standing committee of the House some time during the year? We could do this even if it means that some committees must come back for a while during the recess and spend some time considering these questions. Personally, and I am sure the minister must feel the same way, I feel guilty when I go back to the public and tell them that we have not looked at these—

Mr. Speaker: Order, please.

Mr. Andras: Mr. Speaker, I think I anticipated some of the hon. member's comments with regard to access by parliament to annual reports, etc. Really, I cannot say more than I said a few minutes ago. However, I will raise one point. I shall need a few more weeks, hopefully, to digest some of the details, and formulate some ideas which are developing along the line indicated, as well as other ideas. If this matter is treated as hon. members seem to agree it ought to be treated, we will need to consider the question of time and availability. This point is not unrelated to the earlier point concerning the examination of estimates of each department.

One should stop to think of the incredible amount of detailed work the committees will need to do and the time it will take to conduct such an examination. If we go that route, we shall need to be selective. We shall need to rotate our examinations perhaps over a period of two, three, four, even five years, to make sure that every department is examined. We shall need to be selective if we are to examine in detail, or if we are concerned for any reason. I will be glad, when we have time, to sit down with hon. members and work this matter out on a productive and prospective basis.

Mr. Lloyd R. Crouse: Mr. Speaker, I simply want to endorse what already has been said by the hon. member for St. John's East (Mr. McGrath) and the hon. member for Grenville-Carleton (Mr. Baker) with regard to the examination of estimates. Having served for two years as chairman of the Public Accounts Committee and waded through the Wilson committee report, and the report of the independent review committee, all of which dealt with the evident lack of control over government spending, I would endorse what has previously been said and suggest to the minister that some vehicle must be found whereby not just one or two departments but all departments of government are examined by parliamentarians. When we return to our constituencies and are asked why we allowed certain expenditures—

Mr. Speaker: Order, please. While I appreciate very much the sentiments of the hon. member for South Shore (Mr. Crouse), I must say that this period is provided in the Standing Orders for the putting of questions to ministers, not for the making of statements on remarks already made. If the hon. member wishes to ask a question, perhaps he will put it forthwith.

Mr. Crouse: Mr. Speaker, I was trying to lay the groundwork for my question. Since it is proposed to televise the proceedings of parliament, and since implementation of that proposal will make it almost impossible for members to sit in committee while the House is being televised, may I ask the minister if he has discussed this matter with his colleagues, in the hope that the estimates of at least six departments will be brought to the House? We, as members of parliament, should have the opportunity to examine estimates here, in committee of the whole. I ask this question, bearing in mind the May 31 deadline.

We examined neither the Post Office nor the Department of Labour estimates last year or the year before. Would the minister consider referring those estimates to this House, so that the committee of the whole House will have the opportunity to consider fully such departmental expenditures? Would the minister say what he plans along these lines?

Mr. Andras: Mr. Speaker, I do not think I can elaborate further on what I have already said. With respect, the hon. member has asked very much the same kind of question to which I have been responding, but I will be glad to consider it. I will not give a precise and detailed commitment now. I must do an awful lot of work on this question before I can do that.

• (1630)

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 294, 794, 1046, 1124, 1416, 1477, 1511 and 1561.

Mr. Speaker: Order, please. The hon. member mentioned questions Nos. 1124 and 1416.

Mr. Goodale: That is correct, Mr. Speaker. There was an error in the list that was circulated earlier for the information of hon. members.

[*Text*]

ATLANTIC DEVELOPMENT COUNCIL—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 294—**Mr. Orlikow:**

1. For the fiscal year 1975-76, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Atlantic Development Council?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-74?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Atlantic Development Council is as follows: 1. Nil.

2. Nil.

3. Please refer to Sessional Paper No. 301-2/556 of June 2, 1975.

SURVEILLANCE—EAST AND WEST COASTS

Question No. 794—**Mr. Leggatt:**

As of this date and as of January 1, 1977, what types and numbers of ships and aircraft of the (a) Canadian Armed Forces (b) Canadian Coast Guard (c) Department of the Environment on the (i) West coast (ii) East coast will be or are available for deployment within the new 200-mile sovereignty zone to defend national security and to protect fisheries and natural resources on the seabed?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Defence, Transport Canada and the Department of the Environment as follows: (a) (i) November 1, 1976; Destroyers, 8; Operational Support Ships, 1; CP-107 Argus Aircraft, 6; CP-121 Tracker Aircraft, 3; January 1, 1977: The same as for November 1, 1976. (ii) Destroyers, 12; Operational Support Ships, 2; Submarines, 3; CP-107 Argus Aircraft, 20; CP-121 Tracker Aircraft, 15; CH-124 Sea King Helicopters, 35; The same as for November 1, 1976. (b) Since the new Sovereignty Zone will not come into force until January 1, 1977 no requirement exists for ship deployment and no resources can be identified as being available for the period October 25 to December 31, 1976. (i) On the West Coast, the two weatherships *Vancouver* and *Quadra* will be available for 30 ship days from January 1, to April 1, 1977 for deployment within the new 200-mile Sovereignty Zone for protection of fisheries and natural resources on the seabed. These two vessels based at Victoria, B.C., are sister ships and have the following particulars:

Length m. (ft.)	Breadth m. (ft.)	Draft m. (ft.)	Horse Power kW (HP)	Displacement mt (L.T.)	Endurance n miles
123.23 (404.29′)	15.24 (50′)	5.33 (17.5′)	5,597 (7,500)	5,694 (5,605 tons)	10,400

(ii) On the East Coast, it is planned to make available, on a part time basis, 13 Canadian Coast Guard vessels for a total of up to 135 ship days from January 1 to April 1, 1977 for deployment within the 200-mile zone. The ships involved include Search and Rescue vessels and icebreakers which have primary tasks that cannot be changed under the existing order of government program priorities and, the use of these vessels for dedicated surveillance will be dependent on weather, ice regime, and emergencies at sea. Because of these factors affecting normal Canadian Coast Guard operations, some of the surveillance planned by Canadian Coast Guard vessels may only be possible by multi-tasking these vessels. The vessels and their particulars are listed in the following statement. (c) (i) Dedicated Fisheries Surveillance: three offshore and 51 inshore vessels; Multi-tasked Research Survey and Surveillance: three offshore and 45 inshore vessels; (ii) Dedicated Fisheries Surveillance: Currently four offshore vessels with two additional vessels scheduled to join the fleet in early 1977; and 41 inshore craft; Multi-tasked Research Survey and Surveillance: six offshore and 39 inshore vessels.

Name	Length m. (ft.)	Breadth m. (ft.)	Draft m. (ft.)	Horse Power kW (HP)	Displacement mt (L.T.)	Endurance (n. mile)	Base
Narwhal	76.66 (251.4)	13.79 (45.23)	3.71 (12.3)	1,238 (1,660)	2,257 (2,222)	9,200	Dartmouth N.S.
Sir William Alexander	83.05 (272.4)	13.71 (44.96)	5.33 (17.4)	3,171 (4,250)	3,606 (3,550)	12,000	Dartmouth N.S.
Wolfe	67.05 (219.9)	14.64 (48.00)	4.96 (16.2)	2,985 (4,000)	3,042 (2,995)	6,000	Charlottetown P.E.I.
Walter E. Foster	69.84 (229.0)	12.94 (42.4)	5.01 (16.4)	1,492 (2,000)	2,907 (2,862)	3,000	St. John N.B.
Thomas Carleton	50.79 (166.5)	12.83 (42.08)	4.11 (13.4)	1,492 (2,000)	1,635 (1,610)	2,200	St. John N.B.

Name	Length m. (ft.)	Breadth m. (ft.)	Draft m. (ft.)	Horse Power kW (HP)	Displacement mt (L.T.)	Endurance (n. mile)	Base
Alert	71.40 (234.1)	12.12 (39.7)	4.87 (15.9)	7,462 (10,000)	2,164 (2,130)	6,000	Dartmouth N.S.
Daring	54.25 (177.9)	8.84 (28.9)	2.74 (8.9)	1,985 (2,660)	667 (657)	4,000	Dartmouth N.S.
Louis S. St. Laurent	111.71 (366.4)	24.38 (79.9)	9.44 (30.9)	17,910 (24,000)	14,508 (14,280)	16,000	Dartmouth N.S.
John A. Macdonald	96.01 (314.9)	21.33 (69.9)	8.56 (28.0)	11,194 (15,000)	9,306 (9,160)	20,000	Dartmouth N.S.
Labrador	82.0 (268.9)	19.52 (64.0)	9.51 (31.1)	7,462 (10,000)	7,051 (6,940)	23,000	Dartmouth N.S.
Fraser	62.24 (204.7)	12.79 (41.9)	4.22 (13.8)	2,164 (2,900)	1,899 (1,870)	6,000	Quebec Que.
Sir Humphrey Gilbert	67.05 (219.9)	14.62 (47.9)	4.98 (16.3)	3,171 (4,250)	3,053 (3,005)	12,000	St. John's, Nfld.
Bartlett	57.66 (189.12)	12.90 (42.3)	3.81 (12.4)	1,567 (2,100)	1,722 (1,695)	3,300	St. John's, Nfld.

It is planned that the Canadian Coast Guard will also provide some 200 ship days for Fisheries Surveillance in 1977-78 and in subsequent years, but the number to be provided in each year and the proportion on each coast has yet to be determined and will depend on the capability of the Department of the Environment to meet the requirements of the Surveillance Program with their own vessels and those of the Department of National Defence. Other than ship-based helicopters, which may be used when available for transfer of personnel and short range surveillance, it is not planned to use Coast Guard aircraft in support of this Surveillance program.

PUBLIC WQRKS—POST OFFICE, DESCHAMBAULT, P.Q.

Question No. 1,046—**Mr. Matte:**

1. Has construction of the post office at Deschambault in the Constituency of Champlain been stopped and, if so (a) on what date (b) for what reason?

2. Was the work, undertaken by the Department of Public Works, approved by the Quebec Department of Cultural Affairs and, if not (a) for what reason (b) did the plans of the future post office meet the specifications of the Quebec Department of Cultural Affairs?

3. Which firm obtained the contract and for what amount?

Mr. Alexandre Cyr (Parliamentary Secretary to Minister of Public Works): 1. Yes. (a) October 6, 1976; (b) discussions between the Department of Public Works of Canada and the Department of Cultural Affairs of Quebec lead to mutual agreement that the originally proposed design should be modified.

2. No. (a) Approval was not requested; (b) discussions between the Department of Public Works of Canada and the Department of Cultural Affairs of Quebec lead to mutual agreement on certain design revisions.

3. Les Entreprises Justin Désy Ltée, Saint-Séverin-de-Proulxville, $102,992.

RESEARCH PROJECTS ON THE EFFECTS OF PONCEAU SX (RED # 4)

Question No. 1,124—**Mr. Yewchuk:**

What research projects is the Department of National Health and Welfare sponsoring or conducting on the effects of Ponceau SX (Red # 4) on human health?

Hon. Marc Lalonde (Minister of National Health and Welfare): At the present time, the Department of National Health and Welfare is not undertaking any research studies on the health effects of Ponceau SX (Red # 4). This colour has been tested in several species of animals both by the Department in the 1960's and several other institutions in subsequent years. No adverse effects have been noted in the past regarding cancer or reproduction nor is there any new evidence to suggest this colour poses a health risk. This colour has a very restricted use in foods. Scientists of the Department are not aware of any studies presently underway on this colour. However, they are continuously monitoring world literature for new developments.

OIL SPILL CONTAINMENT AND REMOVAL EQUIPMENT ON THE BRITISH COLUMBIA COAST

Question No. 1,416—**Mr. Wenman:**

1. As of December 1 (a) 1976 (b) 1974, how much oil spill containment and removal equipment did the government own on the British Columbia coast and, in each case, how many were (i) slicklickers and what was their type, optimum rated capacity and locations (ii) slurp skimmers and what was their locations?

2. For the same years, what was the length and type of oil boom in each west coast location?

Hon. Otto E. Lang (Minister of Transport): 1. (a)

1976

Type	Amount	Locations
Sorbent—synthetic	20 cartons	Prince Rupert
	20 cartons	Vancouver
	20 cartons	Victoria
Sorbent—Peat Moss	200 bales	Prince Rupert
	100 bales	Victoria

1976

Type	Amount	Locations
Dispersant Spray-gear		
off-shore	2	Prince Rupert
	2	Vancouver
	2	Victoria
back-packs	2	Prince Rupert
	2	Vancouver
	2	Victoria
in-shore	3 (ordered)	Vancouver
Dispersant		
Oilsperse 43	10 Drums	Prince Rupert
	10 Drums	Vancouver
	20 Drums	Victoria
Steam-cleaners	1	Prince Rupert
	1	Vancouver
	1	Victoria
Adapts Transfer Pump 1,000 gallons per minute	1	Victoria
Adapts Chemical modification	1 (ordered)	Victoria

(*a*) (i)

Type	Capacity	Locations	Numbers
Slicklickers	145 tons per day	Prince Rupert	2
		Vancouver	1
		Victoria	2
(ii) Slurps	5 gallons per hour	Vancouver	3
		Victoria	3
(iii) Komara mini-skimmers (ordered)	2 tons per hour	Vancouver	2
		Victoria	2

(*b*) 1974

Type	Amount	Locations
Sorbent—Peat Moss	200 bales	Prince Rupert
	100 bales	Victoria
Dispersant Spray Gear		
off-shore	2	Prince Rupert
	2	Vancouver
	2	Victoria
Steam cleaner	1	Prince Rupert
	1	Vancouver
	1	Victoria
Adapts Transfer Pump	1	Victoria

(*b*) (i)

Type	Capacity	Locations	Numbers
Slicklickers	145 tons per day	Prince Rupert	2
		Vancouver	1
		Victoria	2
(ii) Slurps	5 gallons per hour	Vancouver	3
		Victoria	3

2. (*a*) 1976

Boom	Length	Type	Locations
	2,000′	Bennett 36″	Prince Rupert
	2,000′	Bennett 36″ (ordered)	Prince Rupert
	1,600′	Vikoma inflatable (ordered)	Prince Rupert
	6,000′	Bennett 36″	Vancouver
	1,600′	Vikoma inflatable	Vancouver
	2,000′	Bennett 36″	Victoria
	2,000′	Bennett 36″ (ordered)	Victoria
	1,500′	Bennett 72″	Victoria
	1,600′	Vikoma inflatable	Victoria

(*b*) 1974

	2,000′	Bennett 36″	Prince Rupert
	6,000′	Bennett 36″	Vancouver
	2,000′	Bennett 36″	Victoria
	1,500′	Bennett 72″	Victoria

Order Paper Questions

AGRICULTURE RESEARCH STATION, FREDERICTON—RESEARCH ACTIVITIES

Question No. 1,477—**Mr. Howie:**

1. Are any specific research activities taking place at the Agricultural Research Station at Fredericton, New Brunswick under the heading of Horticulture and, if so, what are they?

2. (a) What research, if any, is being conducted in New Brunswick regarding the development of strains of grain adaptable to local growing conditions (b) what is the budget for this research (c) in what location is it being conducted?

Hon. E. F. Whelan (Minister of Agriculture): 1. In 1976-77 the following programs are included: (a) Potato production, 17.7 man-years, $1,427,000.; (b) Blueberry, 1.0 man-year, $75,000.; (c) Tree fruit, 0.3 man-year, $23,000.; (d) Environmental quality, 2.2 man-years, $201,000.; Total, $1,726,000.

2. (a) The Fredericton Research Station shares with other Stations a portion of the corn and cereal breeding program for Eastern Canada which amounts to 9.2 man-years and $780,000., which places emphasis on breeding, cultivar evaluation, early seeding, winter hardiness and harvesting losses. (b) and (c) The 1976-77 budget for the corn and cereal breeding program at the Fredericton Research Station is: (a) Wheat, 0.1 man-year, $9,000.; (b) Barley, 0.1 man-year, $9,000.; (c) Oats, 0.1 man-year, $9,000.; (d) Corn, 0.1 man-year, $9,000.; (e) Problem soils, 1.0 man-year, $73,000.; Total, $109,000.

ESTIMATED SAVING IN ADMINISTRATIVE COSTS BY INCORPORATING MAXIMUM GIS WITH OAS PAYMENTS

Question No. 1,511—**Mr. Herbert:**

Has the government considered incorporating the present maximum supplement to the old age security payments as a total universal payment and, if so, what is the estimated saving in administrative costs?

Hon. Marc Lalonde (Minister of National Health and Welfare): No. However, if maximum Guaranteed Income Supplement payments were incorporated with all Old Age Security as a universal payment, there would be an annual saving of approximately $10 million in administrative costs, and an increased cost in payments of about $1.3 billion.

FISHERIES IMPROVEMENT LOANS ACT—LOANS IN NEWFOUNDLAND

Question No. 1,561—**Mr. Marshall:**

By constituency, between April 1 and September 30, 1976, what is the breakdown of the loans made in Newfoundland under the Fisheries Improvement Loans Act?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): The requested data is not maintained by electoral district but only by province, by lender, and by purpose, for the following reasons: (i) Loans are made by banks to customers who may not live in the same constituency as the bank. (ii) Constituency boundaries change from time to time; thus comparative statistics cannot be maintained on a consistent basis.

[*English*]

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

Some hon. Members: Agreed.

[Mr. Lang.]

MOTIONS FOR PAPERS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 37 is acceptable to the government.

[*Text*]

COPIES OF MEMORANDA ISSUED BY CHIEF STATISTICIAN OF CANADA DEALING WITH PUBLIC SERVANTS' CONFLICT OF INTEREST GUIDELINES

Motion No. 37—**Mr. MacKay:**

That an Order of the House do issue for copies of all memoranda issued by the Chief Statistician of Canada or other officials of Statistics Canada, dealing with the implementation of the Public Servants Conflict of Interest Guidelines (Canada Gazette, January 9, 1974).

[*English*]

Motion agreed to.

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 67 is acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

[*Text*]

RADIO CANADA INTERNATIONAL—VISIT OF SOVIET NEWS REPRESENTATIVES

Motion No. 67—**Mr. Cossitt:**

1. In or about August 1975, did two men visit the offices of Radio Canada International in Montreal to discuss the content of programming to the Soviet Union by the CBC (*a*) did they represent a Soviet news service or any other Soviet organization and, if so, which one (*b*) did they introduce themselves as representing APN (*c*) who are the individuals and their job designations with whom these men met (*d*) what are the names fo the visitors (*e*) was an attempt made by these visitors to persuade members of the Russian section of Radio Canada International to eliminate any political events or comments from coverage of the Canadian scene in Russian language broadcasts?

2. Was the Department of External Affairs aware of this visit prior to its taking place and (*a*) if so, on what date (*b*) if not, on what date did it become aware of the visit (*c*) did the Department take any action on the matter (i) if so, what (ii) if not, for what reason?

[*English*]

Motion agreed to.

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notice of motion for the production of papers No. 36?

[*Text*]

COPIES OF CORRESPONDENCE RELATING TO ESTABLISHMENT OF URANIUM REFINERY IN SASKATCHEWAN

Motion No. 36—**Mr. Hnatyshyn:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all documents relating to the establishment of a uranium refinery near Warman, Saskatchewan, or elsewhere in the Province of Saskatchewan, by Eldorado Nuclear Limited, and copies of any agreement between the Government of Canada and the Province of Saskatchewan or their respective agencies.

[*English*]

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Eldorado Nuclear Limited

reports that any existing documents relating to the establishment of a uranium refinery in Saskatchewan are commercial documents and the information is proprietary. Consequently, I respectfully ask the hon. member to withdraw his motion.

Mr. Hnatyshyn: It is a stonewall, Mr. Speaker. I will transfer it for debate.

Mr. Speaker: Transferred for debate.

Mr. Goodale: I ask, Mr. Speaker, that the other notices of motions for the production of papers be allowed to stand.

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO FACILITATE MAKING ADVANCE PAYMENTS FOR CROPS

The House proceeded to the consideration of Bill C-2, to facilitate the making of advance payments for crops, as reported (without amendment) from the Standing Committee on Agriculture.

Hon. Judd Buchanan (for the Minister of Agriculture) moved motion No. 1:

That Bill C-2, an act to facilitate the making of advance payments for crops, be amended in Clause 2 by striking out lines 5 to 7 at page 2 and substituting the following therefor:

""crop" means grains, oilseeds, root crops, such other field crops as are prescribed, honey and maple syrup;"

Motion agreed to.

Mr. Goodale: Mr. Speaker, I rise on a point of order. It might be useful to draw to the attention of the House that there have been the usual discussions with regard to our proceedings on Bill C-2 this afternoon. I understand there is general agreement that any recorded votes that might be required to dispose of the report stage proceedings of Bill C-2 will be deferred.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Mr. Stan Schellenberger (Wetaskiwin) moved Motion No. 2:

That Bill C-2, an act to facilitate the making of advance payments for crops, be amended in Clause 4, by adding immediately after line 33 at page 3 the following new subsection:

"(3)Where a suitable organization willing to assume the obligations of this Act does not exist, the Minister may guarantee to a bank the repayment of a loan made to a producer under the same terms and conditions as prescribed in this Act for an advance made by an organization.

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I rise on a point of order. Motion No. 2 is contrary to the bill. It goes beyond the scope

of the bill. We would appreciate the guidance of the Chair as to whether this motion is acceptable.

Mr. Speaker: The Chair has had some occasion to examine the motion in a cursory way, with the suggestion of some reservations about the procedural regularity of the proposed subclause. However, I think there ought to be an opportunity for the hon. member to hear the objections to the motion and to defend, if he wishes, the procedural regularity of his motion. It is obvious that any division to be taken on this motion is to be deferred. Perhaps we might now hear the argument of the parliamentary secretary in support of his contention that the motion in some way offends the procedures of the House, after which I could perhaps review the matter and see if it is possible to give a decision immediately or, if not, defer it until the time the division is to be taken.

[*Translation*]

Mr. Pelletier: Mr. Speaker, the purpose of Bill C-2 is to allow groups of producers to get advance payments. The government undertakes to pay interest costs and so on. The hon. member's motion says, I quote:

"(3) Where a suitable organization willing to assume the obligations of this Act does not exist, the Minister may guarantee to a bank the repayment of a loan made to a producer under the same terms and conditions as prescribed in this Act for an advance made by an organization."

In other words, Mr. Speaker, this bill which aims essentially at helping organizations of producers would not be applicable any more; it will be applicable only to individuals. For this reason, it differs little from other bills adopted by the House to assist farmers and we believe that it changes considerably the philosophy of the bill. At least that is what the minister thinks at this time and we believe, Mr. Speaker, that this would not be the purpose of the bill which was to help organizations of producers and I think that the philosophy of the bill will be changed, and that is why we think it is not acceptable to the minister at this time.

[*English*]

Mr. Schellenberger: Mr. Speaker, I must disagree with the hon. member. The royal recommendation states that this is an act to facilitate the making of advance payments for crops. The bill proposes that an organization be the intermediary between the farmer and the bank. All my amendment intends to do is state that where no organization exists there is no need for an intermediary and, as a result, the farmer should be allowed to go directly to the bank. As I read the bill, that in no way takes away from the ability of an individual or group of farmers to facilitate their interest in getting an advance payment for a crop. I do not believe that this amendment is out of order.

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I understand the concerns and the sentiment which the hon. member for Wetaskiwin (Mr. Schellenberger) is endeavouring to bring before the House in the form of this amendment. I do not in any way wish to stifle his opportunity to discuss those concerns, which I am sure he holds very sincerely. However, the amendment he

has presented in the form of motion No. 2 is in danger of being out of order.

I would refer Your Honour specifically to the royal recommendation. In its own words, it recommends "the appropriation of public revenue under the circumstances, in the manner and amounts and, for the purposes set out in the measure entitled "An Act to facilitate the making of advance payments for crops." The only mechanism specified in the legislation for accomplishing the purpose of that recommendation is to provide for the availability of cash advances through the auspices of farm organizations. This is clearly explained in the definition clause of the bill and, later on, in some of the clauses dealing with the mechanism to be used. In other words, cash advances to producers of the crops defined in the legislation would be available through farm organizations. This is clearly the intention of the bill.

● (1640)

The hon. member's amendment seeks to depart from that principle by providing that cash advances, or loans as they might be called, I suppose, in layman's language, should be available not only through farm organizations but under other arrangements subject to a government guarantee. This is really quite a different principle from that outlined in the bill, wherein it is stated that cash advances may become available only where farm organizations are involved. This is clearly set out in clause 4(1). I will read the opening words: "Where an organization proposes to make an advance to a producer—", and so on. The hon. member's proposed subclause would go beyond the provision set out in clause 4 and would provide that individuals would be in a position to secure advances without availing themselves of the services of a farm organization. It goes not only beyond the terms of the legislation as presently drafted, but beyond the terms of the royal recommendation, for which reasons I respectfully submit it is out of order.

I do not wish to stifle the hon. member's opportunity to present his views on the subject, but I suggest that at a later stage he will have an opportunity to express his concern. Unfortunately, he might not be able to present his views at this stage, because the amendment he proposes is, I suggest, out of order.

Mr. Stanley Knowles (Winnipeg North Centre): Of necessity, Mr. Speaker, much of what has been said on the procedural point has really been addressed to the specifics of the amendment. However, it seems to me we have heard more argument against the substance than we have heard in favour of it, and I think it might be easier for Your Honour, as well as for the House generally, if we could hear more argument about the merits of the proposal. I should like to indicate my support for the suggestion Your Honour made earlier—that it might be the fairest thing to do to let the debate take place and defer any ruling until it has been completed. I notice there has been no argument raised from the government side to the effect that this proposal would involve the expenditure of money.

An hon. Member: Oh, yes it would.

[Mr. Goodale.]

Mr. Knowles (Winnipeg North Centre): Not of more money than would otherwise be expended under the bill. The argument has been directed to the avenues through which the money goes, not to the total amount involved. In any case I hope Your Honour will permit the hon. member for Wetaskiwin (Mr. Schellenberger) to present his motion and defer your decision until later.

Mr. Speaker: For two reasons I am prepared to do precisely that. The first is that from a procedural point of view the matter leaves me in some doubt and therefore I should like to defer a decision on purely procedural grounds. Moreover, I would need to understand more clearly the technical operation of the part of the statute under consideration. I know it is contemplated in the bill that payment be made through producer organizations, but whether that is a principle of the bill or simply a method of carrying out the principle of the bill is not clear to me at the moment, and the only way to resolve this doubt is to hear argument in debate which may throw some light on the technicalities of the measure. I will therefore call the motion in the name of the hon. member for Wetaskiwin.

Mr. Schellenberger: Mr. Speaker, during the debate on the second reading of Bill C-2 I rose to take part in the discussion. At that time, along with colleagues on both sides of the House, I expressed approval of the minister's proposal to provide for advance payments for crops. Since 1958, western farmers under the auspices of the Wheat Board have been receiving advance payments for cereal crops, and I feel it is only right that other farmers who produce crops capable of being stored should receive cash advances as well, in order that they might be able to take advantage of the best possible prices for their commodities.

The bill is basically a good one, but I believe there is room for improvement. It is thus with the intention of strengthening the measure rather than weakening it that I present the following amendment for consideration:

Where a suitable organization willing to assume the obligations of this Act does not exist, the Minister may guarantee to a bank the repayment of a loan made to a producer under the same terms and conditions as prescribed in this Act for an advance made by an organization.

Adoption of this amendment would allow for added flexibility in the administration of the legislation. As the bill stands at present, an individual producer will be excluded from the benefits of the legislation if (1) there is no organization in close proximity to the farmer concerned, (2) there is an organization but it is unwilling to undertake the responsibility of administering the act, or (3) the individual producer concerned has no desire to join an organization. Let me take a few moments in which to discuss these three contingencies in a little more detail.

In many cases there is no organization in existence which could perform the intermediary function of providing advance payments. Despite the minister's devotion to supply management systems, many farm products are still not covered by such a scheme. To exclude these products because of the lack of an organization structure would be unjustifiable. Even where organizations do exist, they may not meet the definition

of the word "organization" contained in the bill and hence they would be excluded from the benefits of the legislation.

● (1650)

I offer here the statement by Mr. Kleiman, the chairman of the Ontario Wheat Producers Marketing Board. He has acknowledged the lack of suitable organizations in some areas and for some products, and has suggested that the banks could replace the organizations for the purpose of administering the advance payments in such cases. In his appearance before the Standing Committee on Agriculture on December 14, 1976, Mr. Kleiman said:

> Since so few organizations exist that could fit the description, we have questioned whether or not the banks, as defined in the bill, could act as a lending body. We realize there is a great need for the lending body to be close to the actual marketing functions to administer the loan but still do not see how some producers are going to be able to avail themselves of the benefits of the legislation.

Mr. Kleiman pointed out that farmers are accustomed to dealing with banks, so that they would already be in a position to have an avenue open to them for a further loan. By allowing the banks to undertake the advance payments, all Canadian farmers who have storable crops would be given an equal opportunity to take advantage of those advance payments. The legislation would thus be more democratic and a larger number of Canadian farmers would derive benefit from it.

During one of the committee hearings the hon. member for Scarborough East (Mr. O'Connell) suggested that in cases where a proper organization did not exist the producers could go to a bank and the bank would transfer the contract for the administration of its marketing provisions to any area where an organization existed. From reading the committee reports of the discussion on Bill C-2, it is evident that a number of witnesses and members were very concerned about what would happen to producers for whom no suitable organization was available. In its present form the bill also denies payments to a producer who belongs to an organization which is unwilling to undertake the responsibilities of administering the advance payments. This lack of willingness on the part of producer organizations is a very real possibility, a possibility that the officials of the Department of Agriculture have not really looked into, in my opinion.

During the December 8, 1976, meeting of the Standing Committee on Agriculture, my colleague, the hon. member for Moose Jaw (Mr. Neil), questioned the minister as to what organizations he had consulted with and what their reactions had been to such consultation. The response of the Minister of Agriculture (Mr. Whelan) was unequivocal. He stated:

> I have not personally met with an organization on this bill at this point in time.

Pressing his point, the hon. member for Moose Jaw asked whether officials of the Department of Agriculture had met with any organizations to discuss the terms of this bill and whether they were agreeable to operating under such terms. Replying for the minister, Mr. Leggat, director of the grains and crops division of the Department of Agriculture, stated:

> A very few, Mr. Chairman. I have talked it over with the Ontario wheat producers and I think there was one informative session with potato producers from P.E.I., but we have had no real consultation with them, though we intend to do so and hope to do so before the regulations are written, so that we can get some of their ideas incorporated into the administrative end of operating this scheme.

The fact of the matter is that the Department of Agriculture has been very lax in its consultations with producer organizations which, under the terms of this bill, are the only groups that are allowed to make advance payments. The proposals for the "after the fact" discussions are somewhat senseless. Since producer organizations are to be given the entire responsibility for administering the act, they should have been consulted from the beginning. There are a number of organizations which have yet to be heard from. Their input is important and their views should not have been neglected.

Producer organizations may well find that the cost of administering the act is prohibitive. As pointed out by Mr. Kleiman during the December 14 meeting of the Standing Committee on Agriculture:

> The cost to an organization to administer such a program is not a small undertaking, and we are concerned that the organization should have to accept the risk of default proposed in this bill.

In order to be in a position to administer the advance payments, an organization will need bookkeeping facilities, a filing system, secretarial help and numbers of forms. They will have to get in touch with farmers. If the loan is not called in, they will have to send out notices. If the producer does not pay or if he has not yet sold, the organization will have to get in touch with him.

The Department of Agriculture has stated that the Canadian Wheat Board has experienced little difficulty in terms of the cost of administering the Prairie Grain Advance Payments Act, and that therefore there will be no problem with producer organizations meeting the administrative costs of Bill C-2. They state that this point is not really relevant here. So far as Bill C-2 is concerned, we are talking about large and small organizations. These organizations will be asked to administer the act. Structural changes in the organizations and among staff members will be necessary before they are in a position to administer these payments. For a small organization, the cost of bringing about these changes may be a burden; as a result, they may decide simply to opt out of this provision in the legislation.

During the committee hearings it was pointed out that a $5 levy has been imposed by the elevator companies to help defray the cost of administering the Prairie Grain Advance Payments Act. While this is a relatively nominal sum, I feel that the fee charged by organizations for administering Bill C-2 will have to be much higher. Regardless of the size of the organization, there will be a basic level of administrative cost. Because costs are not necessarily proportionate to the size of the organization, smaller organizations with fewer members will have to charge a higher fee than the larger organizations, and a much higher fee than the Canadian Wheat Board. The Canadian Wheat Board is set up in such a way that they have elevators and agents throughout the prairie region. This the

organizations do not have, so they would have to be close to the farmers and producers in order to provide the service that is necessary. It is possible that the fee may be very, very high to keep the organization above ground when it is administering this plan.

As it stands now, Mr. Speaker, the bill also denies cash advances to producers who do not wish to belong to an organization. There are many independent farmers in this country—and I pat them on the back—who have made their way in this system without belonging to any organization. This was brought forward by the hon. member for Richelieu (Mr. Côté) during the committee hearings. He said that all the producers who are accustomed to selling at the retail level and storing their own production, because they were smart enough to organize their marketing, are not covered by this bill.

I feel it is most unfair to exclude non-organized producers from the benefits of this legislation. The banks should be given the power to perform the intermediary function in cases where farmers do not want to join an organization. Officials of the Department of Agriculture state that they are reluctant to get banks involved in administering the advance payments because it would impede the orderly marketing of crops. However, my colleague, the hon. member for Moose Jaw rebutted this argument very effectively at the committee hearing of December 7, 1976, when he stated:

● (1700)

I do not think the fact that the loan if it were made through a bank would have any effect on the orderly marketing aspect of it at all because if you make the loans through an organization you still do not have any more control of directing the time and place of marketing.

Banks are uniquely suited to the administration of the advance payments act. Having dealt with farmers for a number of years, the major banks are keenly aware of the risks and constraints involved in agricultural production in Canada. They have the staff and the ability to do these things without extra cost. The successful handling by banks of the government guaranteed farm improvement loans program and a number of other programs is testimony to their competence in farm lending.

I hope that the House will give serious consideration to the proposed amendment which, I believe, is in order and does not take away from the royal recommendation. As I have stated before, the amendment only gives flexibility to the administration of advance payments. It does not detract in any way from the principal intent of the bill.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I want to say at the outset that we in this part of the House have some sympathy with the amendment. What the amendment proposes is what producers have to do quite often in any case.

If a producer has a cellar full of potatoes or has sheds full of other storage products such as corn on the cob, and the market is not readily available, either locally or at a distance, it is common practice for him to go to his bank manager or credit union manager and get a loan until such time as he can market some of his crop. The only difference is that he has to pay interest on that loan from the first day. In this case, if the amendment is adopted, the producer could still go to the same credit union or bank manager and get a cash advance on his crop, which is what he might have done many times before, only this time it will be under a government guarantee.

I agree that there is no doubt that with many types of produce in different parts of Canada there are few if any producer organizations in existence and, if there are, they are not very strong. The amendment states: "where a suitable organization willing to assume the obligations of this act does not exist . . .". In such a case the individual producer should be able to go to his bank or credit union manager for a cash advance under the provisions of this act. Where there are marketing co-ops, for example, in potatoes or other commodities, and they are fairly widespread, undoubtedly the producer will go through that marketing co-op.

I should like to sound one cautionary note here. I presume that in the administration of the act, assuming the amendment is accepted, one thing that the bank or credit union manager will have to do will be to ascertain, if I have three or four cellars of potatoes in storage and am unable to market them for some period of time in the future, and want a cash advance, that I have those potatoes properly stored and that they are not rotting in the cellars. This would mean that there is an onus not only on the producer but also on the institution lending money under this act. I know that under the cash advance program many farmer friends of mine who come to the elevator with oats or barley are well known by the agent. That agent would know if a farmer has not a bushel left in the bin and therefore he will not get a cash advance. He might be able to get it somewhere else, but the elevator agent knows all his customers, and knows when a fellow did not have a good crop that year, or had fed most of his grains to his cattle and bootlegged some of it to other places. His bins are empty, and if he tries to get a cash advance the elevator agent would know about it.

The lending institution would have to bear some kind of responsibility under the provisions of this act for the loans that are made, but I do not see that as a handicap. It would not hurt the credit union or bank manager to be more aware of the situation of his individual customer in any case.

Assuming the amendment is in order, Mr. Speaker, of which you will advise us later, I see no harm in it. In fact there is no doubt that in some parts of the country it will not be particularly useful, such as in my province, but there is no doubt that in other parts of Canada it will be very useful to thousands of individual producers until such time as they get larger and more effective producer organizations which can look after this for them. Therefore, Mr. Speaker, we are in favour of the amendment.

Mr. John Wise (Elgin): Mr. Speaker, in rising to support the amendment put forward by my colleague, the hon. member for Wetaskiwin (Mr. Schellenberger), let me begin by saying that during the rather brief second reading debate and throughout the committee proceedings my colleagues and I have raised several questions with respect to the provisions of

this bill. It is interesting to note at the same time that to a very large extent the same questions or problem areas were raised by the witnesses who appeared before the committee and presented briefs.

I would like to commend the hon. member for Wetaskiwin on the amendment before us. The amendment deals with our main concern. We are convinced that, without this amendment, advance payments under this legislation would not be available to a significant proportion of otherwise eligible producers—producers who are not served by a properly constituted producer organization.

We recognize that grain producers in central and eastern Canada and grain producers outside of the designated area of the Canadian Wheat Board have been seeking this kind of legislation for some time, and for very good reasons. We recognize as well that this government and this parliament have an obligation and a definite responsibility to provide such a program, particularly in view of the fact that a similar program has been in effect in western Canada for some time. In fact, the government has attempted to defend the provisions of Bill C-2 by drawing a comparison to the Prairie Grain Advance Payments Act introduced about 19 years ago by a Conservative government.

On the surface this might appear to be a logical and appropriate defense to use, but does the government suppose that the situation as it was 19 years ago, in an area fully represented and served by the Canadian Wheat Board, is comparable to the present situation in central and eastern Canada where loans will have to be made by a multitude of marketing boards, agencies, commissions and producer organizations?

For this reason alone, the conditions and circumstances of those producers within the Canadian Wheat Board area and of producers to be served by this bill, although similar, are certainly not identical. It must be evident now to the government that the bill as it stands cannot give equal access to all eligible producers because not all of them, by any means, can be represented for the purposes of this bill, by a properly constituted producer organization.

● (1710)

If, on the other hand, the amendment before us gains the support of hon. members opposite and becomes part of the bill, a major inequity would be removed, and the same service which is rendered to producers within the Canadian Wheat Board area by the Prairie Grain Advance Payments Act would henceforth be available to all other producers in Canada.

During the earlier debate on this bill my colleagues and I raised a number of questions, and in a prepared opening statement the minister tried desperately to dismiss these questions, devoting six of his ten page opening statement to an attempt to refute what we thought were constructive criticisms. It should be noted that those very same questions were raised by witnesses who appeared before the committee and, indeed, some of our doubts were shared by government members opposite. In particular I might mention the hon. member for Scarborough East (Mr. O'Connell) who, although he represents a strictly urban riding, must be complimented for his contribution to those committee hearings.

I sincerely hope that in the future the hon. member will maintain his interest in legislation directed primarily to rural communities and that he will attend the Standing Committee on Agriculture on a regular basis.

During the second reading debate I suggested that in view of the way this bill was drafted its title should more accurately read "advance payments with limitations on some farm stored crops". Since the first meeting of the standing committee I stressed that our major concern is the inability of some producers to take advantage of this bill because of the absence of an adequately constituted organization or merely because of an insufficient volume of crop in the producers' areas.

Since the introduction of this bill I have indicated my party's support for the intent and principle of this type of legislation and, indeed, our desire for its early passage. In fact this debate would not be taking place today had we not given encouragement and certain commitments to the government House leader.

In all fairness I want to indicate as well that many of the questions raised in the second reading debate have been answered by departmental officials, and I thank them for their input and for their clarifications. However, let me remind them that in future the simple addition of explanatory notes would save us much valuable time. This observation is not purely a personal one; it is shared generally. In fact my good friend from the county of Oxford, Mr. Charles Munroe, the current president of the Canadian Federation of Agriculture, delivering his brief to the committee, noted the following:

> The main questions that can be raised about the bill relate to uncertainties as to how the bill, if it becomes law in its present form, might or should be interpreted, and whether some further spelling out of the intent might not be included in the text of the bill itself.

Those words support my contention and underline the need and desirability of more explanatory notations.

We can see no major problem in most areas because of the existence of many marketing boards, agencies, commissions and producer organizations, but it is very possible to foresee that there will be producers in areas where properly constituted organizations do not exist for a variety of reasons. For this reason and for others—for example, an insufficient volume of product from a certain area or region—we can easily predict that a number of producers will not be eligible for advance payments under this legislation. This is what the amendment before us today is all about. This amendment, if accepted, would not destroy the thrust and intent of this bill. On the contrary, it would simply ensure that all producers could participate in this program. It would ensure that all producers are extended an equal opportunity of access to the legislation.

I submit that without this amendment this bill would create disparity between producers and would deny advance payments to a significant proportion of otherwise eligible producers.

I readily admit that in areas where there now exist producer organizations, or organizations consisting primarily of producers, or even in areas where producer organizations can be formed without major difficulty, these organizations are the appropriate bodies to administer and operate this program. I would like to repeat that because I think there might be some misunderstanding among government members as to the thoughts of my colleagues. We support the idea that, where appropriate organizations do exist, these organizations should administer the program.

Surely this minister and this government must realize that their responsibilities extend not just to some producers and not just to most producers, but to all producers. I draw the attention of all hon. members to a portion of the brief of the Ontario Wheat Producers' Marketing Board in which the following is indicated:

> Since so few organizations exist that could fit the description, we have questioned whether or not the banks, as defined in the bill, could act as a lending body. We recognize there is a great need for the lending body to be close to the actual marketing functions to administer the loans, but still do not see how some producers are going to be able to avail themselves of the benefits of the legislation.

The Ontario Wheat Board chairman, Mr. Kleiman, went on to support the intent of the proposed amendment by stating the following:

> Yes, because most producers deal with banks, we would like to see the opportunity for all producers. As you say, a number are not covered, and one would think all farmers should have equal opportunities.

Those are the words of a well qualified farm leader who heads an organization which, even in its present form, no doubt could participate in this program. However, because of his knowledge, experience, and understanding of the agricultural industry, Mr. Kleiman was quick to point out the problem and, in turn, to offer the obvious solution.

The hon. member for Scarborough East, a member of the government party and a former cabinet minister, said in committee that he would be interested to know whether some lender other than an organization as defined in the bill might not still be a possibility. He said he was encouraged, in the search for an alternative, by the brief of the Ontario Wheat Producers' Marketing Board. In fact the hon. member was encouraged to the extent that he suggested an amendment to the effect that where no organization exists in an area, or some association of producers exists but cannot qualify under the act and where significant amounts of a crop are grown in that area—an area, I repeat, where there is no properly constituted organization—a producer might obtain an advance from an approved lender which is not an organization, provided that the lender enters into an approved form of contract. That is precisely what this amendment provides, and the minister himself indicated the worthiness of such a provision and said he wanted his officials to consider it in greater depth.

It should be noted that in addition to the hon. member for Scarborough East, my hon. friend on the government side, the hon. member for Richelieu (Mr. Coté), has shown his interest and concern about this very same point. My hon. friend, who has been a member of this House for a long time and who has taken an active role in the standing committee, and in all matters dealing with agricultural legislation, expressed a personal desire in committee to see the banks acting as lending agents.

Those who oppose this amendment do so on the presumption that this provision would destroy the orderly marketing thrust in this bill. This objection deserves to be met and discounted. We know, for instance, that there are presently approximately 100 marketing boards, commissions, agencies and producer organizations in various forms. Departmental officials have indicated that 30 to 40 of these are likely in a position now to provide advance payments to their producers, and if we give the government the benefit of the doubt it is possible, after some changes within the remaining organizations, to meet the requirements of the legislations and to provide advance payments to their producers as well.

In all, I think it would be reasonable to assume, in view of what presently exists, and in view of what could take place in the near future, that about 80 per cent of producers of storable crops could have access to advance payments under this bill. Thus it would be fair to assume that the encouragement and development of a more orderly marketing system will be extended to 80 per cent of producers. We think that the impact of such an orderly marketing thrust upon 80 per cent of producers will be no mean achievement. And there is nothing in the amendment before us which would diminish this achievement or undermine the orderly marketing thrust of this bill which, as it stands, will reach only 80 per cent of producers—those producers who belong or can belong to a properly constituted producers' organization. The amendment, Mr. Speaker, concerns itself with the remaining 20 per cent—a significant number of producers who would not be eligible for advance payments simply because they are not represented by an acceptable organization.

● (1720)

The orderly marketing of storable crops is a fine objective, but relief for the individual producer is a far finer objective. This government and this parliament cannot be satisfied with less than making that relief available to every producer in every area, whether he is served by an organization or not. Of course, I realize Mr. Speaker, that in so saying I might run afoul of the Department of Finance which sees the whole question in a different light. The Department of Finance takes the view that the whole philosophy behind the bill is that of accomplishing orderly marketing. According to the Department of Finance there can be no provision for unorganized producers because there is no reason for the government to pay interest if it is not accomplishing something, and if the producers borrow directly from a bank the government would have no reason to pay interest.

It seems to me, Mr. Speaker, if the Department of Finance thinks that for technical, legal, or other reasons some 20 per cent of producers cannot be accommodated within the scope of this bill, then it should tell us. It has not done so and therefore I take it that there are no such objections. If, on the other

hand, the Department of Finance wants to assist agriculture or, at least, is content not to hinder agriculture, it would be better advised to direct its attention in future to tax reform and, as agricultural critic, I might suggest it begin with the capital gains aspect.

One would expect the Department of Agriculture to consult with the Department of Finance on the monetary and financial aspects of all legislation, but I would hope that we have not yet reached the point where the Department of Agriculture takes its advice on agricultural policy from the Department of Finance.

To conclude, Mr. Speaker, I commend my colleague, the hon. member for Wetaskiwin, on this amendment, and I plead with all members for their support. If accepted, Mr. Speaker, a greater measure of orderly marketing will be accomplished, and an equal opportunity will be extended to all producers of storable crops, regardless of where they live.

[*Translation*]

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I have the pleasure to introduce to the House a bill to help all Canadian farmers whose crops are storable in the efficient marketing of their products. As everyone knows, under Bill C-2, concerning the making of advance payments for crops, the government will guarantee bank loans to organizations of recognized producers for the marketing of their products, and will pay the interest on those loans. Canadian producers often have to cover their production cost soon after harvest. Accordingly, markets are then literally inundated with farms products and such temporary overabundance can only result in falling prices at the very moment when the farmer needs the revenue most badly.

[*English*]

The Advance Payments for Crops Act should reduce the pressure on farmers to market in a period when a heavy influx of the crop into commercial channels generally depresses prices. It will produce a more orderly marketing pattern. It should decrease, if not eliminate, potential transportation bottlenecks at peak postharvest periods. And it will help Canadian farmers to get reasonable returns for their products.

The legislation will also have benefits for the consumer. By not flooding the markets after harvest, Canadian producers will be able to provide a continuing flow of produce to the consumer, at a reasonable cost. Because Canadian producers will have access to the advance payments program and because the crops could be stored after harvest, the produce could be brought into the market when required. This ensures consumers a continuous supply, eliminating possible shortages and the consequent price rises later in the season.

It is a pleasure for me to support an amendment to Bill C-2. After consultation with and consideration by the Standing Committee on Agriculture, we have agreed to amend Bill C-2 to include honey and maple syrup as crops eligible for advance payments. The Advance Payments for Crops Act has been kept flexible for just this purpose—so that as many Canadian farmers as possible can take advantage of the benefits under the legislation. The act provides the legislative authority for the federal government to guarantee the repayment of advance payments on storable crops. In addition, it will guarantee the interest on such advance payments when they are made in accordance with the provisions of the act.

Honey and maple syrup producers have similar problems to other Canadian farmers. The Canadian honey crop, which was about 46½ million pounds in 1975, had a market value of over $23 million. Our maple syrup industry, which is centred in Quebec and Ontario, produced 1.4 million gallons of syrup in 1975 with an estimated value of over $12 million.

The advance payments program will enable Canadian honey and maple syrup producers to receive interest-free advances in the critical post-harvest period when they need cash to cover their costs of production. All to often, the rush to sell the crop results in congested markets or depressed prices. In addition, it can result in the loss of efficiency in marketing and loss of profitability. We have in the past assisted different producer groups of honey and maple syrup under several other federal acts. Although these two commodities were not mentioned in the original draft of the legislation, I agree with the Standing Committee on Agriculture that these resource-based products should be covered specifically in the act to avoid any confusion.

For the producer organizations set up to market and promote honey and maple syrup, only slight modifications will have to be made to their present organizational structure so that they can take advantage of this legislation.

• (1730)

[*Translation*]

Farmers can make use of that legislation by gathering within legally incorporated associations. For the time being, more than 20 organizations or groups will be eligible as soon as the legislation is passed and the related regulation introduced. Some other farm organizations, 10 to 15, will be able to avail themselves of the legislation by bringing a few changes to their structure so that they meet the requirements of the act. The rationale for the bill is nothing new in Canadian agriculture. The act will allow farmers to get a cash income for their storable crops when they need it most. That is why farmers and wheat, oats and barley producers out of the area under the authority of the Canadian Wheat Board also asked to make use of interest-free advance payments.

The objective of the program as explained in the bill is to allow producers to get cash payments. The government undertakes to pay the interest, and in case of non-payment by a producer, it ensures that payment to the association. For the crops covered by the bill, there are no such marketing controls as those applied to wheat, oats and barley under the Canadian Wheat Board system concerning delivery quotas and common pricing. To assess the best means of giving advance payments to the producers, as provided by the law, we had to draft a bill which would limit the guarantee given by the government to producers and organizations providing adequate controls to guarantee the repayment of the advance. I should draw your

attention to the fact that producer organizations, and consequently the individual producer himself, must expect to pay for the administration of this program. However, it should be possible to come to an agreement similar to the western agreement, making it possible for the producer organizations to get part of the administration expenses back.

My last words are for those who spoke before me; I want to thank them for their positive attitude towards this bill, which without any doubt will serve all Canadian agricultural producers. Western wheat, oats and barley producers have been given these advance payments for 20 years now. For 20 years now other Canadian producers have wanted to take part in similar programs.

Mr. Speaker, I would like to answer the hon. member for Wetaskiwin (Mr. Schellenberger). He mentioned that the minister had seldom sought advice on that bill. Mr. Speaker, if indeed there is a government minister who seeks advice, it is the Minister of Agriculture. Two, three or four times each week he meets producer organizations. This week, for example, he did not attend our sittings because he met seven different producer organizations for western Canada. This shows how much the Minister of Agriculture is interested in meeting farmers where they are, that is at home or out in the field.

Therefore, when the hon. member claims that the minister has not had enough consultations, I think he is not being fair because, quite the contrary, the Minister of Agriculture (Mr. Whelan) consults a great many people. Another thing I would like to add on this point, Mr. Speaker, is to point out that it is impossible to consult everyone for the simple reason that there are organizations which speak on behalf of groups of people. For instance, the Quebec Federation of Agriculture has openly endorsed this bill; this federation groups several producer associations and none has raised objections to the principle of the bill. That is why the minister did not see fit to have them come up to the department for consultation, since they were in agreement with the principle of the bill right from the beginning.

On other occasions when the Minister of Agriculture introduced other bills in the House, he never failed to consult the organization or associations of producers or farmers concerned by the bill being introduced in this House.

Finally, Mr. Speaker, there is the fact—as the last speaker mentioned—that many farmers in Canada have managed well without belonging to an agricultural organization. They have succeeded without having to organize. Mr. Speaker, I say to these farmers: Well done! But I think it is ever more difficult for a farmer to manage without the help of an organization to protect his interests because it is a well known fact that competition is fierce in many areas of agriculture. It takes only a little opening in our borders to affect an entire production or an entire farming sector and without organizations to bring pressure to bear upon the government to take remedial measures, the farmer has a very hard time managing his farm.

That is why I think the minister is right when he urges Canadian producers to organize, to get together and set up marketing boards. I think that if we could define the minister's personal philosophy, we could say that since his appointment, the current agriculture minister has tried to see to it that farmers are no longer the underprivileged of our society and are considered in the same way as other agencies, associations and organizations, able to claim their rights. It is with this in mind that the minister has always asked the producer organizations to get together and defend their rights. I know something about these farming areas, I am thinking for example of New Brunswick where I come from, the potato area. The hon. member for Carleton-Charlotte (Mr. McCain) knows what I am referring to and if this sector has been in trouble for many years, it is simply because of the lack of organization, of a potato marketing board.

Some years are tremendous, but sometimes the price is so low that some farmers must abandon their farms; I know it is so; I knew many farmers, many potato producers in the 50's and 60's who who had to give up their farm for lack of organization.

These are my answers to certain arguments presented in the House. Again, Mr. Speaker, on behalf of the minister I would like to thank hon. members who took part in this debate for the positive way they did so.

[*English*]

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I know that a commitment has been made and I will not abuse it. I wish to speak not much more than two or three minutes. I suggest that the hon. member who just spoke should speak in support of this legislation in that area to which he just referred. He ought to speak about the requirements for organization in New Brunswick and elsewhere. Such organization is needed in the worst way.

I agree with virtually everything he said about this legislation, but for one thing. I believe the hon. member for Wetaskiwin (Mr. Schellenberger) the hon. member for Elgin (Mr. Wise), and the hon. member for Regina-Lake Centre (Mr. Benjamin) touched on this point. Those hon. members represent widely separated geographic areas, but all were agreed in saying that this bill discriminates. It says to those who are not organized, "If you wish to take advantage of this legislation, you must organize." If the Department of Agriculture thinks that the amendment before the House will cause difficulty in administration, perhaps the minister, by virtue of the power to delegate which is vested in him, can say to provincial ministers, "Well, you can administer this provision for us in cases involving certain unorganized agricultural entities."

During discussion of this bill there was great doubt as to which entities can be considered as organized. Actually as things now stand it is questionable if the Prince Edward Island marketing board for potatoes, in its present form, could be considered an eligible organization. This bill, therefore, casts doubts on virtually every organization in the Atlantic area. There is doubt as to whether they would have authority to administer and guarantee loans.

I am concerned about the compulsory nature of the legislation. It says to people, "You must organize." I am concerned about the elimination of a great many people from eligibility. I say this because occasional crops are grown in many area of Canada. They are storable and marketable, and deferred sales may lead to requests for loans. These producers are left out. Many market gardeners operating in the peripheral areas of cities will find themselves locked out, because there is no marketing agency for them. As the hon. member for Wetaskiwin said, by virtue of their own capabilities they have developed their own marketing system. Are they to be eliminated from eligibility, under the terms of this act?

● (1740)

This is not democratic legislation. It is very definitely autocratic legislation. It is compulsive. It is discriminatory.

Has the minister consulted or in some way been in touch with independent farmers? I realize the Department of Agriculture in Ottawa would be faced with certain administrative problems if it were to go to individual farmers. I suggest it delegate that to the provincial ministers who, through their various structures, can on occasion come to the aid of farmers who need this help.

It is high time the government took a look at the democratic requirements of all society rather than being discriminatory and selective in the application of its wishes and compulsive in respect of agricultural organizations. It does not fit with the reality, dispersal and the nature of the men who farm in this country.

I ask the government to accept this amendment so that not a percentage but all farmers in Canada with storable crops are eligible. I agree with the spokesman on behalf of the government in virtually everything that he says. However, when he was through speaking, it was extremely obvious that the bill is discriminatory. It deletes a multitude of farmers from eligibility. It is not democratic. I ask the government to reverse its position. It is bad to make a mistake, but it is most regrettable to make a mistake, recognize it, and make no change. That is precisely what is happening with this bill.

The Acting Speaker (Mr. Turner): There are no further speakers. In accordance with the announcement made earlier today, the decision as to the acceptability of the amendment stands deferred.

* * *

[*Translation*]

CANADIAN HUMAN RIGHTS ACT

MEASURE TO PROTECT PRIVACY OF INDIVIDUALS

The House resumed, from Friday, February 11, 1977, consideration of the motion of Mr. Basford that Bill C-25, to extend the present laws in Canada that proscribe discrimination and that protect the privacy of individuals, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Pierre De Bané (Matane): Mr. Speaker, when I started to speak on this bill last Friday, I mentioned some evidence of progress made in the present situation. Today, I would like to speak about certain weaknesses in this situation, and I shall speak first of the part concerning the protection of the privacy of individuals, and then of the part concerning discrimination.

Mr. Speaker, what strikes me about this bill as it concerns protection of the privacy of individuals is that it contains many weaknesses which must certainly be corrected during the study in committee if we really want to protect the rights of the individual. The right to privacy is one of the main ingredients of the right to integrity and basic liberties.

As emphasized in the legislation passed by the American Congress in 1974—

[*English*]

The privacy of an individual is directly affected by the collection, maintenance, use and dissemination of personal information by federal agencies.

[*Translation*]

There cannot be any real privacy when tens of people are collecting data about each citizen who are denied the right to have access to their files and who do not know to what extent these files to which they cannot have access have an incidence on their daily lives.

Once again, this bill is surely an improvement over the present situation but, in so far as we can compare it with the one which the American Congress adopted two years ago, I think we will notice at the committee stage that further important improvements should be made. I shall give you only a few examples. The first clause relating to the protection of privacy says peremptorily that the law cannot be applied, when a citizen is denied some information, pursuant to any agreement between a minister of the government of Canada and a minister of a provincial government.

To my mind, setting such a principle in the first clause of a bill amounts to admitting that governments have priority over the individual and, as far as I am concerned, I believe in only one principle, namely that governments, states and nations should stand for the individuals and not against them. When it is said at the beginning of a bill that governments can always agree not to respect the right of the citizen to privacy, without giving any reason, I think of the principle in clause 2(b) of the bill which says, I quote:

(b) the privacy of individuals should be protected to the greatest extent consistent with public order and well-being.

I say that principle is not being respected when you go on to read right after that governments can agree among themselves that they will not publish information gathered about citizens without giving any reason.

Another example, Mr. Speaker, is clause 52(2) which stipulates that when a government agency collects information concerning a citizen for specific reasons, it can pass them on to other federal agencies. The first thing that strikes me here is that the agency is in no way obliged, contrary to the situation in the United States, to see to it in every way possible that the

information is accurate and that it does not exceed the needs for which it is being compiled.

A second thing strikes me: the ease with which the information can be spread around: that is found mainly in clause 52(3) where it is stipulated that the consent of the citizen is taken for granted when he fails to reply to a letter requesting his authorization; then, his consent may be presumed to have been given. Here is once again another example of a situation that I find unacceptable.

Similarly, clause 53 states that a minister may always refuse to divulge information if that is detrimental to federal-provincial relations. Similarly, clause 56 states that federal information banks must wherever possible, and I quote, those are the words used in clause 56, operate in compliance with the law. Mr. Speaker, from a technical point of view, I have rarely seen more laxism because it states that the law must be complied with wherever possible. What is that if not giving an arbitrary and discretionary power to the various federal agencies collecting information?

Furthermore, clause 59. (1)(b) empowers the minister who has received a recommendation from the Privacy Commissioner recognizing that a citizen's complaint is founded, not to take any action on the recommendation of the Privacy Commissioner. What difference is there with the American 1974 Privacy Act system where the administration must, as it should, obey the recommendation of the privacy commission, otherwise it will be liable to be sued for damages. In this instance, if a department does not comply with the law and the Privacy Commissioner serves notice to that effect and recommends to the government that it take action on the founded complaint of a citizen, a minister may always ignore that recommendation and throw it to the garbage.

Once again, though an improvement, and I agree it is, this bill contains a lot of gaps, and it seems reasonable to me that we should hope that it would give people the same protection as in the United States. Certainly we cannot through one law ensure that men's and women's rights, individuals' rights to privacy will be as protected as in the United States since over there part of their individuals' rights are protected by the Constitution; unfortunately, the rights that the federal government also wanted to protect in the Constitution through amendments did not go through at the time the Victoria Charter was put forward, but we could at least hope that this bill, insofar as it involves citizen privacy, include similar safeguards as in the act passed by our American counterparts.

As I said the principle embodied in clause 2(b) of the bill is the recognition that:

(b) the privacy of individuals should be protected to the greatest extent consistent with public order and well-being.

In view of the loopholes included in Part V it is my contention, Mr. Speaker, that such a basic and commendable goal has not been reached, and I shall take the opportunity at the committee stage to put forward amendments which hopefully should be considered favourably, both by the Minister of Justice and the Solicitor General.

As far as Part I is concerned, that is the part dealing with discrimination, it is an improvement over the first legislation that was introduced some months ago, especially since it includes a new ground of discrimination, the one involved with physical handicaps. But the list included in clauses 2(a) and 3 are far from complete in my view. I would refer for instance to the proposed prohibited grounds of discrimination which are race, national or ethnic origin, colour, religion, age, sex, marital status, convictions for which a pardon has been granted and, in matters related to employment, physical handicap.

Mr. Speaker, I submit the list is faulty in many respects. First, the terminology should be changed. For instance, I feel that "religious persuasion", or better still "religious liberty" would be much preferable to "religion". Second, certain recognized grounds of discrimination are not covered, such as political opinions, social circumstances, sexual orientation or illegitimacy, which is a lifelong stigma.

Similarly, when referring to a conviction for which a pardon has been granted, there is reason for concern at the outset because, if I do not misinterpret the legislation, it is forbidden to reveal that a person has already been granted a pardon since the very objective of the Criminal Records Act we passed in parliament is to alleviate the burden of a mistake which has already been made and regretted, and from which a person has been rehabilitated. Similarly, Mr. Speaker, how long can we discriminate against a person who has not been granted a pardon but who has been rehabilitated and who paid his or her debt to society? I recognized that there was great progress as far as employment for the physically handicapped is concerned. Even epileptics are mentioned in this legislation. Could we not extend this further to include those handicapped who suffer from mental weakness but who have not lost all their faculties?

Mr. Speaker, I also have a few amendments to put forward, just as some members of the committee have, I am sure. They relate to clause 3, which is the fundamental clause of the bill.

I see that it is six o'clock, Mr. Speaker.

• (1750)

[*English*]

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 17, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

HEALTH

PROPOSED COMMITTEE STUDY OF DANGERS OF ARSENIC CONTAMINATION—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the clear medical danger arising out of exposure to arsenic, and in view of the recent revelations of elevated arsenic levels in Cobalt, Red Lake, Moira Lake and Gloucester township in addition to the previously publicized Yellowknife levels, and in light of the failure of the government to establish safe standards for arsenic exposure despite its having knowledge of the dangers for over two years, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House empowers the Standing Committee on Health, Welfare and Social Affairs to conduct an investigation into the dangers of arsenic contamination and the adequacy of existing standards and efforts to deal with the problem.

Mr. Speaker: Pursuant to Standing Order 43, this motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LABOUR CONDITIONS

SUGGESTED IMPLEMENTATION OF HALL RECOMMENDATIONS ON RAILWAY PENSIONS—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in light of the urgency of this matter I ask leave to present a motion under the provisions of Standing Order 43. I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House urges the government to take immediate steps to achieve the implementation of the recommendations made in the report of Dr. Noel Hall on Canadian railway pension plans, dated in September, 1976 and published in January, 1977, particularly the recommendation that all railway pensions be indexed in accordance with the rise in the cost of living, and that special consideration be given to the case of all older railway retirees without delay.

Mr. Speaker: Under the provisions of Standing Order 43 unanimous consent of the House is required for the presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

RESEARCH

REQUEST FOR INCREASED GRANTS—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing and urgent necessity.

Since Canadian researchers are now in a distressing situation because of the government restriction program and the freeze on funds for scientific research and as the federal government policy on that matter has been disastrous so far and that scientific research is, in scope and in nature, the best long term investment, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House call upon the federal government to take immediate necessary action so that all agencies concerned, including the National Science Council of Canada, the National Research Council of Canada and the Medical Research Council may benefit from the assistance which is needed by all Canadian researchers to further their scientific work for the betterment of man's condition.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

• (1410)

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

DEPARTURE OF AMBASSADOR WARREN FROM WASHINGTON—DATE OF ANNOUNCEMENT OF REPLACEMENT

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I might begin by saying that we checked this morning and learned that 14 ministers of the Crown are in Ottawa today—

Some hon. Members: Oh, oh!

Mr. Clark: —and, although we certainly understand and approve the idea of ministers getting around the country, we are concerned because, while 14 ministers are in Ottawa, there are only seven in the House today.

Some hon. Members: Oh, oh!

Mr. Clark: My question is to one of those, to the Secretary of State for External Affairs. My question relates to the departure—

An hon. Member: Here's Lalonde.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Paproski: The minister of nothing.

Mr. Baker (Grenville-Carleton): I think the minister of nothing just said something.

Mr. Speaker: Order, please. Perhaps we would all do well to start again.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, I apologize for overlooking the presence of the minister "without".

My question to the Secretary of State for External Affairs relates to the departure of Ambassador Jake Warren from Washington. It appears that the announcement of that departure was made inadvertently by the minister and, as of this morning, it appeared that the minister's position had not yet been officially communicated to our embassy in Washington. In light of the damage to Canada's international reputation, the personal embarrassment to an outstanding public servant in the person of Ambassador Warren—

Some hon. Members: Hear, hear!

Mr. Clark: —and the damage that this whole comic opera atmosphere can do to the discussions between the Prime Minister and the President, will the Secretary of State for External Affairs take the opportunity to tell the House of Commons what is going on?

[Mr. Speaker.]

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

Mr. Paproski: You keep quiet, Lalonde; you are nothing but a corporal now.

Mr. Baker (Grenville-Carleton): Lalonde, stick to your pills.

Mr. Jamieson: —I welcome the opportunity to indicate to the House exactly what happened. Let me begin by saying that the questions of the Leader of the Opposition were clearly drawn, for the most part, from a newspaper story which appeared this morning in the Montreal *Gazette*.

An hon. Member: No, it came from Ivan Head.

Mr. Jamieson: I doubt if they could have come from any other source. But, if they have, let me go back to the fact, namely, that the story to which I am referring and which contained, basically, the substance of the question asked by the hon. member, the story written by Mr. Ben Tierney, is totally groundless and without foundation.

Some hon. Members: Hear, hear!

Mr. Jamieson: In so far as the second part of the question is concerned, about an announcement having been made by myself, let me emphasize again that I made no such announcement. I did what I think all members of the House would expect me to do in the circumstances. I was asked a question by a newsman who, from his own sources, had heard of Ambassador Warren's pending departure from Washington. He asked me a question and in conformity with what I think is my reputation, I did not try to be evasive. I told him the facts of the situation.

The facts of that situation are these: Ambassador Warren advised me in October of last year of his desire to be moved from Washington at some mutually convenient time. Certainly, it was not to be beyond the two years which he had indicated initially he was prepared to serve, which would be up to the middle or end of June, as I recall it, of 1977. At that point, and it was an informal discussion, I suggested that he talk to the appropriate people in Ottawa, which he did prior to Christmas. I think this is reasonably common knowledge, certainly among the parties concerned.

Prior to Christmas, the arrangements were concluded for Ambassador Warren to terminate his terms in Washington at the appropriate time, namely at the end of the two-year period. There was no relationship to the Prime Minister's visit to Washington. Indeed, in October when we discussed this, we did not even know that President Carter would in fact be the President of the United States at this time. I want to emphasize again there is no relationship whatsoever. I repeat that it is a total fabrication. If there is anything further I can add to this, because I agree that it is a most unjust embarrassment to Mr. Warren who has been an extremely good public servant of Canada—

Some hon. Members: Hear, hear!

Mr. Jamieson: —I can assure you I will do that.

Mr. Clark: Mr. Speaker, I am pleased that the record is now clear, although I do not think that the House will accept the suggestion that we should blame Mr. Tierney entirely for the embarrassment this affair has brought to the country. When does the Secretary of State for External Affairs expect to announce the replacement to Ambassador Warren? Will that announcement come in the near future? We would also appreciate knowing whether the replacement will be a career diplomat or whether the appointment will follow the pattern of ambassadorial appointments by this government to London, Paris and Brussels.

Mr. Jamieson: Mr. Speaker, once again I can say without qualification that the matter quite literally has not been discussed in terms of replacement because there was no anticipation nor is there now that Ambassador Warren will be leaving, as I believe some of the stories state, immediately, or anything of that nature. The position is that Ambassador Warren's term does not expire until June. I think I am right in saying June, certainly mid-year. There has not been consideration of a replacement. Therefore, I cannot answer the second part of the question because I have not discussed it with anyone as yet.

Mr. Clark: Mr. Speaker, the minister has already indicated that he has been seized of this information since October. It did not break to him yesterday as it did to the rest of the country. Surely, there has been some consideration of the question of a replacement in the three or four months that have intervened. Since the matter has now broken, can the Secretary of State for External Affairs tell us whether he intends to make an early announcement as to the nature and the person of the replacement to Ambassador Warren and when that might occur?

Mr. Jamieson: Mr. Speaker, may I again explain that there has not been consideration of this matter even though I have been aware of it since October. Hon. members opposite who are familiar with the public service will know that there is an annual review of ambassadorial transfers and appointments which takes place about now, in February and March of each year. It involves a very large number of transfers. Therefore, it would normally be considered and will be considered in that context. That is the reason for not answering the hon. member. On the second part of the question, I am sorry I have forgotten the precise nature of it.

Mr. Fairweather: Whether you are going to be the new ambassador.

Mr. Jamieson: I do not have any nominations at the moment, but I know of certain members opposite who would not be opposed to being approached.

Some hon. Members: Hear, hear!

Oral Questions

POSSIBILITY OF CAREER DIPLOMAT REPLACING AMBASSADOR WARREN IN WASHINGTON

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, that rather off-hand remark by the Secretary of State for External Affairs raises the question whether the government has any disposition regarding the appointment of a career diplomat or some other type of person to this position. Can the minister indicate whether there is a disposition to appoint a career diplomat to replace Ambassador Warren in Washington?

• (1420)

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, without in the least seeking to be evasive, the hon. member knows I believe personally, and hon. members on both sides of the House agree, that there are occasions when it is appropriate to choose someone other than a career diplomat, but in this particular case absolutely no consideration has been given to who will be the next Canadian ambassador to Washington. I can assure the hon. member and the House of this.

* * *

HEALTH

ALLEGED FAILURE TO ESTABLISH PROPER STANDARDS FOR LEVEL OF ARSENIC IN AIR—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Can the hon. gentleman inform the House why two years after the letter from the head of the air pollution control section of the Environment Protection Service in the Northwest, warning his colleague in Yellowknife of pending drastic reductions in arsenic permitted in the workplace, and one year after a request from the Director of the Bureau of Chemical Hazards in Health and Welfare that the Department of the Environment take steps to control arsenic air emissions because of the clear dangers from arsenic poisoning, nothing has been done to establish acceptable standards of arsenic levels in the air by his department?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): For an excellent reason, Mr. Speaker: because it is not my department that sets the standards.

[*English*]

Mr. Broadbent: In the absence of the minister who is certainly co-equal in responsibility, I am directing this question to the Minister of National Health and Welfare. Since his officials will play a central role in the establishment of such standards and since the warning to which I referred is more than a year old and came from an official within his department, I would like to ask him, as the man who is responsible at the national level for health standards in Canada, why he has done nothing about it.

[*Translation*]

Mr. Lalonde: Once again the hon. member is totally wrong and incorrect. There is in the House now the acting minister of environment. He should therefore direct his question to the minister responsible, not to me.

[*English*]

Mr. Broadbent: Will the minister undertake in this serious matter, which should not be dismissed by quibbling debating points and which affects in a fundamental way literally the lives of Canadian workers, to make a statement tomorrow, in the House to tell us why, after more than two years, no action has been taken by the government of Canada?

[*Translation*]

Mr. Lalonde: Mr. Speaker, had the leader of the NDP had the common sense to ask his question of the right person, he would have learned that, following this letter, a joint committee has been set up by the Minister of Environment to consider every aspect of this issue. So far as I know, appropriate standards will be determined through consultation between the industry, the workers concerned and the government.

* * *

MANPOWER

CANADA WORKS PROGRAM—INQUIRY IF GOVERNMENT INTENDS TO INCREASE FUNDS ALLOTTED

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

Considering that, according to Statistics Canada, the unemployment rate for January and the beginning of February is the highest we have had since 1953, and considering also that the funds provided for the Canada Works Program, particularly for the first phase of it, are clearly inadequate, would the minister tell the House whether the government has been planning to increase the budget of this program?

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): Not at the present time, Mr. Speaker. We are looking at the applications which have come in. It is a new and innovative program which has found great acceptance in the country and I want to look at all the applications to see what we should be doing in this area.

* * *

EXTERNAL AFFAIRS

UGANDA—PROPOSAL THAT DEATH OF ANGLICAN ARCHBISHOP BE INVESTIGATED

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question is for the Secretary of State for External Affairs; I have given his office notice of the question. The hon. member for Greenwood and the hon. member for St. John's East, and I think I could say all of us, are associated with the posing of this question. Will the minister express to the Ugandan authorities the distress felt by members of parliament and other Canadians at the tragic deaths of the Anglican archbishop of Uganda and two cabinet ministers; and will the minister urge the Ugandan authorities to have an independent inquiry into these deaths under the aegis of the United Nations or the Commonwealth?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, the hon. member is quite right in saying that his question reflects the views of many members of this House who have spoken to me since my arrival here just half an hour or so ago. I think all of us are appalled by the incident, which I have to confirm to the House has been reported and is indeed factual, in which the Anglican archbishop and two others were killed in the manner reported. We will, of course, make the necessary representations which the hon. member has asked for, and I would hope sincerely that there will be a disposition on the part of the Ugandan authorities to accept the independent investigation to which the hon. member has referred, whether through the agency that he has mentioned or in some other way.

* * *

GOVERNMENT ADMINISTRATION

REASON FOR INCREASE IN EXPENDITURES OF CROWN CORPORATIONS—MEASURES TO INCREASE ACCOUNTABILITY

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the President of the Treasury Board. Since one of the more disturbing aspects of the estimates is that while Canadians who receive transfer payments are being cut back, and while the bureaucracy has slowed the growth of its wage bill to a still excessive 11 per cent, Crown corporations are having their share of the public purse increased by nearly one-third. In light of the restraint which has been imposed upon the Canadian public, would the President of the Treasury Board advise the House why such disproportionate increases are necessary for this particular sector, which is supposed to be increasingly able to stand on its own two feet?

Mr. Stanfield: It is obvious why they need it.

Hon. Robert K. Andras (President of the Treasury Board): Without commenting on the intervention there, Mr. Speaker, one would have to go over the individual cases. I can give some general examples of further capital for operating budget, approval in regard to increased exports by EDC and things like that, but I think—

Mr. Stanfield: Agents' fees have gone up; they are now indexed.

Mr. Andras: Well, I suppose they are subject to inflation like everything else; we will try to do something about that. I would have to go into more detail than time would permit in the question period. You would have to look at each one individually and do a subtotal on it.

Mr. Mazankowski: A supplementary question, Mr. Speaker. In view of the fact that the public accounts committee, which has just spent some three months investigating the operations of AECL, has discovered a great deal of financial maladministration and ineptitude on the part of AECL, and having regard to the Auditor General's report which concludes that financial management in this particular corporation is completely inadequate, would the minister tell the House how he justifies the doubling of the expenditures of AECL from $200 million to $400 million?

Mr. Andras: I would be glad to deal with that report of the committee, Mr. Speaker, but it would also be a question to be addressed to the minister responsible.

Mr. Mazankowski: A further supplementary question, Mr. Speaker. In view of the continuing testimony that has been received by the public accounts committee to the effect that these Crown corporations are not accountable to parliament, would the minister outline to the House whether he intends to take immediate steps to increase accountability of these Crown corporations to the committees or to the House of Commons, and thereby to the people of Canada?

Mr. Andras: Mr. Speaker, if the hon. member will review *Hansard* and my replies to the very same questions which were addressed to me by the hon. member for—

Mr. Mazankowski: You were dealing with control, not accountability.

Mr. Andras: I was talking about control in my response to the hon. member for Nanaimo-Cowichan-The Islands.

Mr. Mazankowski: I am asking about accountability.

Mr. Andras: If the hon. member would read the answers in *Hansard* he would see what I said, but I will repeat it. The answer is yes, we are going to seek very quickly more financial control for government and for—

Mr. Mazankowski: I am asking about the accountability factor.

Mr. Andras: The accountability factor I touched on yesterday, and the hon. member knows very well that this is a very much more complex issue in that—

Mr. Mazankowski: You did not. You talked about controls.

● (1430)

Mr. Andras: If the hon. member will read *Hansard* of yesterday, he will see that I raised the very question that in the interest of getting financial control we had to face the issue of whether we were going to go further and take over policy control of those corporations also.

Mr. Mazankowski: Not only did I read *Hansard*, I listened to what the minister had to say.

ALLEGED REDUCTION IN EXPENDITURES ON COST-SHARING PROGRAMS—TRANSFER OF COST TO PROVINCES

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a supplementary question for the same minister. Would he explain how he can legitimately use the word "restraint" when referring to a cutback in federal expenditures of approximately $970 million in cost sharing programs, when in reality the minister knows there is no over-all reduction in the cost of these programs but simply a bookkeeping entry to transfer costs to the provinces. I should like to ask the minister whether it would not have been more straightforward if he had made his comparison of this year's estimates on the same basis as last year's to reflect the true increase in government expenditures rather than ignoring the transfer of costs to the provinces, thereby giving a misleading picture of restraint which, I suggest, has been done for political purposes.

Some hon. Members: Oh, oh!

Hon. Robert K. Andras (President of the Treasury Board): May I say, with the greatest respect to the hon. member, that it is rather curious to hear her referring to the use of certain expressions and statements for political purposes after her question.

Some hon. Members: Oh, oh!

POSSIBILITY OF APPOINTING COMPTROLLER GENERAL—GOVERNMENT POSITION

Mr. James Gillies (Don Valley): My question is again to the President of the Treasury Board. Given the fact that this will be a record level of expenditures by the government, and the Auditor General has said that the control of expenditures is effectively out of control, is the Auditor General contemplating appointing a comptroller general to administer the expenditure of these programs in a more effective and efficient fashion?

Hon. Robert K. Andras (President of the Treasury Board): It would not be the Auditor General who would appoint a comptroller general if that decision were taken, and no such decision has been taken.

Mr. Gillies: Perhaps the minister misunderstood my question. I asked him whether he would appoint a comptroller general on the recommendation of the Auditor General to look after a more effective control of the expenditure of these funds.

Mr. Andras: No such decision has been taken.

Oral Questions

HER MAJESTY THE QUEEN

SUGGESTION HER MAJESTY BE ASKED TO OPEN OR CLOSE SESSION OF PARLIAMENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct my question to the Acting Prime Minister. In this year, the twenty-fifth anniversary of the reign of Her Majesty Queen Elizabeth the Second of Canada, in view of her intended stay among her Canadian subjects during the month of October, will the government follow the course that was taken by the then prime minister in 1957, the Right Hon. Louis St. Laurent, who invited Her Majesty, as he stated, so that Canadians on the whole would understand and appreciate that the Crown is an integral part of the parliament of Canada, and invite Her Majesty, as is being done now in Australia, to open parliament or, if the session is still in process, that it be concluded and she be asked to read the speech which is normally given at the conclusion of a session?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, in reply to the right hon. gentleman, may I say that I referred to the incident he has mentioned in my statement on television, that during the right hon. member's period as prime minister I believe Her Majesty did open parliament and the occasion was televised. If we succeed in having television implemented in parliament—

Some hon. Members: Oh, oh!

Mr. MacEachen: —it would be a certain way of bringing the presence of Her Majesty in parliament within the view of all the people of Canada.

Some hon. Members: Hear, hear!

Mr. MacEachen: I make this point because I think it is quite relevant to the question asked by the right hon. gentleman. To my knowledge, the final arrangements with respect to the visit of Her Majesty to Canada have not yet been made, and certainly the suggestion made by the right hon. gentleman will be considered and related, if possible, either to the opening or closing of a session of parliament. I think it is a suggestion that is well worth considering.

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman ended his reply in a way he usually does, with a suavity that quietens all opposition.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I ask him this: The excuse that we need to implement the recommendation to televise parliament in order to carry out my suggestion leads me to believe that he has forgotten that in 1957 when I came to office the Queen was here and the occasion was televised. Ever since, the opening of parliament has been televised.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Why is it necessary to add such extraneous matters as the excuse he has now raised? All that has to be done, as I suggest—and I hope the hon. gentleman will agree with me—is simply to carry on what has been done in the past, namely, to televise what happens in the Senate when parliament is either opened or closed by the Governor General.

Mr. MacEachen: I thought I was paying the right hon. gentleman a well deserved compliment by mentioning the fact that during his period as prime minister the presence of Her Majesty in parliament had been televised.

Mr. Diefenbaker: And ever since.

Mr. MacEachen: But I look forward to an improved system of television—

Some hon. Members: Hear, hear!

Mr. MacEachen: —and that would make the event even more spectacular than the one to which he referred when he was prime minister.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

* * *

HEALTH

GOVERNMENT ACTION TO IMPROVE DIET OF CANADIANS—POSSIBILITY OF STUDY SIMILAR TO ONE CONDUCTED IN UNITED STATES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of National Health and Welfare. A Nutrition Canada report released by the minister this week shows the general diet patterns in Canada to be similar to the ones identified by a major U.S. study released earlier this month by Senator McGovern which linked diet to six of the ten leading causes of death in that country. In light of the seriousness of this situation, as revealed in both this report and Senator McGovern's report, can the minister tell us what new initiatives he is planning to improve the Canadian diet?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, several initiatives are now under way. In the very near future we will be publishing a new Canadian food guide to replace the old one which will have been revised and brought up to date in terms of desirable eating habits for Canadians. In addition, there is a whole series of activities in the field of public information and education within the framework of my department's program "Vraie Vie". May I also mention the efforts made through leaflets and inserts put at the disposal of the public, leaflets sent with old age pension and family allowances cheques. There are also a number of publications made available to educators if they wish to use them.

Mr. Nystrom: Mr. Speaker, on a supplementary.

In the report of Senator McGovern in the United States, mention is made of the fact that the foods most advertised in the United States are those which contain the most fat, sugar, and salt, in other words those that are the most harmful to one's health. According to that report, people in the low income group and the aged are the most affected by that publicity. Is the minister going to make another study on the impact in Canada of that publicity on Canadian eating habits?

Mr. Lalonde: Mr. Speaker, first of all I should like to congratulate the hon. member on the quality of his French. I wish to add that I shall take his suggestion into consideration. I shall discuss it with my officials and see whether such a study should not be undertaken, or whether we should merely transpose the study made in the United States to the situation in Canada.

* * *

● (1440)

[*English*]

SOCIAL SERVICES

EFFECT OF NEW ADULT CARE PROGRAM IN SOME PROVINCES—AGREEMENT OF PROVINCES TO NEW PROPOSALS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare regarding his new policy affecting adult care. His new policy means that he will now give the respective provinces some $21 per person in order to provide adult care services, thereby doing away with the cost-sharing program. I would like to know if the minister is re-assessing this proposed new financial arrangement with the provinces. This new arrangement will penalize provinces like P.E.I., Saskatchewan and Manitoba which have pioneered programs offering the best adult care services in the country. This policy would inhibit the improvement of services and reduce the quality of existing services. Is there no flexibility in the minister's mind at this time?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am pleased to advise the hon. member that there is so much flexibility that his information is out of date. As a matter of fact, the proposal will come before the House tomorrow for second reading. Legislation has been introduced in the House to the effect that there will be a $20 per capita grant rather than $21, and the federal government will continue to share the cost under the Canada Assistance Plan for a whole series of services provided to persons in need. It is a proposal which is different from the one the hon. member referred to, and it will be of appreciable benefit to the low income provinces.

Mr. Alexander: I appreciate the minister giving me that information, but let me ask him this: do Manitoba and Saskatchewan approve of the policy as it now stands? In light of the fact that the deadline for the new proposals passed one or two days ago, can the minister assure me now that all the provinces are in favour of the proposal he just enunciated?

[*Translation*]

Mr. Lalonde: No. Mr. Speaker, I can tell the hon. member that as far as I know the province of Saskatchewan has neither accepted nor approved the proposal I mentioned. I have yet to receive the reply of the province of Manitoba. However, I can say to the hon. member that five provinces representing over 75 per cent of the population have already agreed to the proposal.

* * *

[*English*]

EXTERNAL AFFAIRS

REASON ANNOUNCEMENT OF TERMINATION OF DUTIES OF AMBASSADOR WARREN MADE AT THIS TIME—SUGGESTED INVESTIGATION OF LEAK

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to get back to the lead question of my leader and ask a question by way of a supplementary of the Secretary of State for External Affairs. I listened very carefully to his replies to question regarding the termination of the duties of Ambassador Warren. Given the fact that the announcement of the termination of Ambassador Warren's tenure at this time could only reflect poorly on the ambassador and could in fact cause embarrassment on the eve of the Prime Minister's visit to Washington, could the minister explain why this announcement would be released or leaked on the eve of the Prime Minister's visit to Washington?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, on the matter of leaks, that is something over which I obviously have no control.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Things are worse than we thought.

Mr. Jamieson: I am, of course, speaking in a totally non-biological sense.

Some hon. Members: Hear, hear!

Mr. Jamieson: However, I have explained to the House that indeed this is a rather good example of the dilemma which faces a minister or any other member who is anxious to be forthcoming with the media. Initially, the media got the story and asked me to confirm it. I did what I felt was the appropriate thing, which was to say "Yes, it is true", and then to go on to explain the situation, which I have done in the House today. I want to emphasize that it was not a formal announcement, and clearly it would not have been the most auspicious time, to say the least, to make such an announcement. It was simply a confirmation on my part of a report which had been obtained by the media.

Mr. McGrath: In spite of the fact that the minister has no control over non biological leaks—and we readily concede that—obviously as a minister he has to take responsibility for his department and for leaks which emanate from within that department. Given the announcement and the embarrassment this has caused the government and the ambassador, will the minister at least undertake an investigation within his department to see who is responsible?

Mr. Jamieson: Oh, yes, Mr. Speaker, and let me assure the House that if I find out, there may very well be some biological leaks.

Some hon. Members: Hear, hear!

* * *

PENITENTIARIES

GOVERNMENT ACTION TO IMPROVE INSTITUTIONS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask the Solicitor General a question. There is now evidence coming from members of parliament serving on a special committee of the Standing Committee on Justice and Legal Affairs with regard to penitentiaries which shows that these places are almost horror chambers. Men as young as 15 years of age are being subjected to disgusting sex acts. Is the Solicitor General now going to take a step, or is he going to wait for the report before getting rid of these horror chambers in Canada?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I must say that one of the reasons why we set up a parliamentary committee was precisely to shed more light on the conditions in Canadian penitentiaries and try to educate some members of the official opposition who have always been reluctant—to endorse some improvements which we would have liked to make in the penitentiary system.

It is certain that criminal acts perpetrated in our penitentiaries and brought to our attention will always be prosecuted. In this case, the facts reported by the hon. member will be drawn to the attention of the British Columbia attorney general.

[*English*]

Mr. Woolliams: With the greatest respect to the minister, I appreciate that there will be a report, but there are reports appearing in the media about witnesses who are giving evidence—

An hon. Member: Oh, oh!

Mr. Woolliams: I wonder why the hon. member would laugh at this; it is very important. I wonder why the Solicitor General would wait and not take steps to clean up what I call horror chambers.

[Mr. Jamieson.]

[*Translation*]

Mr. Fox: Mr. Speaker, not long ago in the House the colleague of the hon. member, the hon. member for Yukon (Mr. Nielsen), asked me to delay any change and any new penitentiary construction program until the House committee made its report. Hon. members of the official opposition could perhaps agree to take a common position. As for myself, I do not intend to delay the proceedings of the House. As I said earlier in reply to a question of the hon. member for Yukon, we intend to carry out our construction program and close at last some of those fortresses in the country.

* * *

[*English*]

THE ESTIMATES

DATE OF REFERENCE OF DEPARTMENTAL ITEMS TO COMMITTEES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the President of the Privy Council. With the tabling of the estimates yesterday, when can the House anticipate the motion allocating the various departmental estimates to the House committees? There are less than eight working weeks before the guillotine falls to close the study of those estimates. May we have the motion tomorrow?

Hon. Allan J. MacEachen (President of the Privy Council): Yes, Mr. Speaker, it will be put to the House either tomorrow or on Monday, but certainly at the earliest possible moment.

* * *

NATIONAL ANTHEM

DATE WHEN LEGISLATION WILL BE INTRODUCED

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, my question is to one of the 15 ministers present in the House; with 14 others being in Toronto. I would like to ask the President of the Privy Council when he intends to call item No. 10 on the order paper, respecting the national anthem of Canada.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I have already announced to the House the legislation which will be before the House for some time, and I do not see a moment in space or time in which I would be able very soon to call this bill.

* * *

MANPOWER

PRACTICE OF SUPPLYING WORKERS TO COMPANIES WHOSE EMPLOYEES ARE ON STRIKE—GOVERNMENT POSITION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that Canada Manpower offices are referring scab

help to companies where workers are on legal strike, such as in the case of Wyandotte Chemicals in Scarborough, Ontario and the Ottawa *Journal*, and in view of the fact that with unemployment at close to 8 per cent Manpower can virtually guarantee a steady supply of desperate workers as scabs to companies whose employees are on strike while at the same time denying striking or locked out workers UIC benefits under a guise of neutrality, is the minister now prepared to instruct his Manpower offices across Canada no longer to refer scab workers to plants where legal strikes are in process?

● (1450)

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, the industrial dispute policy of the department is to maintain a neutral position in these matters and that is what we are endeavouring to do. We indicate to individuals who are looking for jobs that a particular plant is on strike. If they take it on their own initiative to report, that is up to them. They are advised in advance that the plant is on strike.

Mr. Rodriguez: A supplementary question. In view of the fact that the UIC is bound by clear legislation not to support workers on strike and maintains this supposedly impartial position, is the minister willing to recognize that Canada Manpower Centres which are supported by the taxpayers of this country from all sectors, are acting in violation of the spirit of impartiality and should review the regulations with a view to changing them?

Mr. Cullen: Mr. Speaker, I think the stance we have taken is correct. If an employer, who also pays substantial taxes, wants to make use of the Canada Manpower centres to indicate a job vacancy, we tell the workers that there is a vacancy but that the plant is on strike. If the individual opts not to go he is not penalized.

* * *

INDUSTRY

SYDNEY STEEL CORPORATION—REQUEST FOR ASSISTANCE IN SECURING ORDERS TO COMBAT UNEMPLOYMENT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, a question for the Acting Prime Minister which relates to comments made by the Minister of Industry, Trade and Commerce on opposition day in the House when he mentioned me in dispatches on several occasions for pursuing the government to get rail order contracts for the Sydney Steel Corporation. Knowing the minister's interest in this matter and his active participation, particularly with reference to the possibility of securing orders from Venezuela, may I ask if he is in a position today to at least give some encouragement to the Cape Breton area? I do not have to explain to the Acting Prime Minister the unemployment situation at the Sydney Steel Corporation plant.

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, as the hon. member mentioned, I am aware of the situation at the Sydney Steel plant. Not so long ago, in company with the Minister of Transport, I had a meeting with the then president of the plant with a view to searching for possible ways to augment the order books of the Sydney Steel plant. All I can say by way of encouragement today is that the problem is very much before us and every step we can possibly take will be taken in the short term to assist the steel plant to secure orders.

* * *

THE ESTIMATES

ANTICIPATED INCREASE IN 1979—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a question for the President of the Treasury Board. When tabling the estimates yesterday he indicated the percentage increase over the previous year. I wonder if he could indicate what he anticipates the increase for the fiscal year 1979 will be—in other words, one further year. He gave that percentage last time when the estimates were introduced.

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, as I recall, any such forecasting was done by the Minister of Finance in his budget statement last May and not by the President of the Treasury Board when tabling the estimates. I will check on it but I am not prepared to make such a forecast now.

* * *

CANADIAN BROADCASTING CORPORATION

COMMITMENT GIVEN CORPORATION ON INCREASE IN ESTIMATES—REASON FOR INCREASE

Mr. Sinclair Stevens (York-Simcoe): A supplementary question, Mr. Speaker. In answer to a question on January 25 placed on the order paper by the hon. member for Vaudreuil, it was indicated a commitment had been given to the CBC for the coming six years for a 5 per cent real increase in their estimates, plus inflation. Could the minister indicate if that commitment has been given and if so, could he explain why there was a 16 per cent increase in the current estimates with respect to the CBC?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I would want to check the exact formula arrangement with the CBC but I am aware that there is a real growth—a commitment there for a period of time. I believe it to be 5 per cent. Since that is real growth it also probably reflects inflationary growth. I will check on it and make sure my answer is completely correct.

Oral Questions

COAST GUARD

OPERATIONAL DATE FOR NEW EQUIPMENT

Mr. Ron Huntington (Capilano): Mr. Speaker, my question is directed to the Minister of Transport. In view of the concern that exists on the west coast for the general condition of the coast guard capability in regard to the $63 million equipment program that was announced last May by his department, can the minister advise if there has been any change in this program and can he tell the House when this new equipment will be operational?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the M.V. *Bastien City* will be available for assistance to the fishermen during the herring roe season. In addition, the program which was outlined with regard to our coast guard facilities in total and our search and rescue facilities in total will be put in place. That means some additional search and rescue tasking will be given to vessels which are otherwise available. There will not be additional new equipment apart from that this year.

* * *

EXTERNAL AFFAIRS

BOUNDARY DISPUTES RESULTING FROM EXTENSION OF FISHING ZONE—REQUEST FOR PROGRESS REPORT ON SETTLEMENT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, may I put a question to the Secretary of State for External Affairs? On Tuesday, February 8, I requested a report from the minister on the boundary dispute between Canada and the United States. He stated that a series of meetings was held on this matter in Los Angeles and that further meetings will be resuming before the Prime Minister meets with President Carter on Monday next. Since the settlement of this boundary issue involves jurisdiction over the fisheries resources as well as national sovereignty over possible under water oil, gas and mineral development, has the minister any further information to give the House which will ensure there will be no disruption of Canadian fishing activity on the Georges Bank area as of March 1, especially since Ambassador Warren has returned to Canada and I understand he was one of our negotiators on this matter? At the same time will the minister indicate the progress being made by another group of the Department of External Affairs which is working on the maritime boundaries dispute between Canada and the United States.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, in the precise way in which the question was phrased, relating to Georges Bank, I could answer briefly that these negotiations are progressing very satisfactorily. That would not tell the total story, however, in the sense that there is also some problem with regard to negotiations on the west coast relative to salmon stocks. This is for the short term or the interim arrangement which we are seeking to obtain for 1977.

[Mr. Andras.]

The further talks to which the hon. member referred began on Friday last week and continued into Sunday. The members of the Canadian delegation, who returned home, have already reported and will probably be going back again. In other words, it is a continuing negotiating process. It is still my expectation, and I believe I can say it is the hope and expectation of the United States authorities, that we can have in place by March 1 an interim arrangement on fisheries for 1977. The objective of this will be to ensure there is no significant change in traditional fishing patterns. This would be put in place with a view to obtaining a period without difficulty for fishermen in 1977 during which the longer term negotiations on the boundary might take place.

Mr. Crouse: A supplementary question, Mr. Speaker. In view of the economic importance of this whole matter to Atlantic Canada as well as the west coast, can the minister assure the House that it will be discussed when the Prime Minister meets with President Carter on Monday?

Mr. Jamieson: Mr. Speaker, I have not the slightest doubt it will be. As I think the hon. member knows, I will also be in Washington at that time. It is my intention to see it is dealt with at the official level also.

RUMANIA AND CZECHOSLOVAKIA—SUGGESTED PROTEST OF ARRESTS MADE IN VIOLATION OF HELSINKI AGREEMENT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I have two simple questions for the Secretary of State for External Affairs which refer to the disregard of the human rights aspect of the Helsinki agreement by a number of east European countries. Can the minister explain to the House why his government is afraid—gutless would be a better word—to voice its concern and dismay to these countries without depending on the motion of an individual member? Second, why is the government limiting its objections to one nation only, the Soviet Union, as was witnessed yesterday by the refusal of government members as well as ministers to accept my motion extending this parliament's concern to the governments of Rumania and Czechoslovakia for similar breaches of the Helsinki agreement?

An hon. Member: You were told that.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, it is the first time in a long time that I have been referred to as gutless. Let me say to the hon. member that I would refer him to *Hansard*. I saw the response of the Acting Prime Minister and I thought it quite reasonable in the circumstances to suggest that the matter be discussed upon my return to the House today. I will be very glad to do that. There is no reluctance on our part to denounce the kinds of activities in various other countries to which the hon. member has referred. It is a question—and unfortunately I have to say this in public—of looking at this matter on a mutually agreed basis so that we can have a satisfactory result, as indeed we did have on Monday.

Mr. Jelinek: A supplementary, Mr. Speaker. I always assumed that a motion presented under Standing Order 43 was for parliament and not for one minister. I ask if he will assure the House that a message will be sent to the governments of Rumania and Czechoslovakia similar to that to be presented to the Soviet government regarding this matter?

● (1500)

Mr. Jamieson: Mr. Speaker, if the hon. member wishes to have assurances that we will record our disapproval, as has been done in the case of the motion presented on Tuesday—I said on Monday—by the hon. member for Eglinton, he has that assurance. But I would also refer the hon. member to the much more skilled parliamentary approach of the hon. member for Eglinton, with which he might go further.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, this being Thursday, I rise on a point of order to ask the government House leader his intentions for today and tomorrow and if he will bear in mind my request to allocate Wednesday, February 23, as an allotted day?

Mr. MacEachen: Mr. Speaker, to reply to the hon. member for Grenville-Carleton may I advise the House that today we shall continue debate on the bill in the name of the Minister of Justice to do with privacy and discrimination. Tomorrow, regardless of what happens today, we shall begin debate on the fiscal arrangements bill and we shall probably continue it on Monday if necessary. This will be followed by amendments to the National Transportation Act. If it can be worked in to the satisfaction of all parties perhaps we could consider the Air Canada bill. Wednesday would be an allotted day. Therefore, at the suggestion of the hon. member I should like to designate Wednesday, February 23, as an allotted day.

Mr. Baker (Grenville-Carleton): Mr. Speaker, the government House leader mentioned first the amendments to the National Transportation Act, then Air Canada. Judging from his tone, he was not saying that those two bills would necessarily be called in that order. Can one assume that he would be willing to discuss the order of the calling of those two bills?

Mr. MacEachen: Quite.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the government House leader with respect to the business of the House? Last Thursday, in an attempt to get him to bring forward Bill C-30, I offered him two badges, one of which said "Heritage has its day" and the other "Le patrimoine ça se fête." The minister's reply was in these words:

Mr. Speaker, if the hon. member provides the badge in Gaelic, I will consider bringing it in.

External Affairs

Mr. Speaker, I should like to present the minister now with a badge in Gaelic. It is worded on the authority of two Gaelic scholars in Cape Breton and it reads, "Tha m'ag aontachadh la m'oighreachd."

An hon. Member: What does it say?

Mr. Knowles (Winnipeg North Centre): It says the same thing. If the minister wears it, he will be saying, "I support our heritage." Now that I have met his condition of last week, may I ask if he will bring in Bill C-30 so that we can have Heritage Day next Monday.

An hon. Member: And you will wear a kilt?

Mr. MacEachen: Mr. Speaker, I am looking at the badge. It is Gaelic, I see it is Gaelic, but when the hon. member pronounced it it sounded like Swahili. The hon. member uttered these words. I am encouraged by his interest in the language; it encourages me to give further consideration to Heritage Day.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

TABLING OF INTERNATIONAL AGREEMENTS

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I should like to table, in English and French, a number of international agreements which recently came into force for Canada.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, on a point of order may I ask the Secretary of State for External Affairs if among the agreements tabled there is included the recent agreement on pipelines between Canada and the United States.

Mr. Jamieson: Forgive me, Mr. Speaker, but there are between 40 and 50 agreements in this batch. Perhaps I could send a list to the hon. member. I do not think the one he mentioned is in this particular lot. I shall see if I can send a copy to the hon. member.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, will the pipeline agreement with the United States be tabled?

Mr. Jamieson: Yes, Mr. Speaker.

Health and Safety Committee Act

WORKER-INSPECTOR ACT, 1977

MEASURE TO ESTABLISH WORKER-INSPECTORS IN THE WORKPLACE

Mr. Edward Broadbent (Oshawa-Whitby) moved for leave to introduce Bill C-397, respecting the establishment of worker-inspectors in the workplace.

Mr. Knowles (Winnipeg North Centre): Explain.

Mr. Broadbent: Mr. Speaker, the purpose of this bill, and of the two others which I hope to present later today, is simply to give recognition to certain rights of Canadians. It seeks to do something with respect to health and safety hazards which are increasing daily in our places of work. Specifically, the intention of this bill is to establish worker-inspectors for health standard purposes in places of work.

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

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RIGHT TO REFUSE TO PERFORM DANGEROUS WORK ACT, 1977

MEASURE TO ENSURE RIGHT OF EMPLOYEES TO REFUSE TO PERFORM WORK DANGEROUS TO HEALTH OR SAFETY

Mr. Edward Broadbent (Oshawa-Whitby) moved for leave to introduce Bill C-398, respecting the ensuring of rights of employees to refuse to perform work that is dangerous to their health or safety.

Mr. Knowles (Winnipeg North Centre): Explain.

Mr. Broadbent: Mr. Speaker, the purpose of this bill is to give Canadian workers the right enjoyed by working people of certain other countries, the right to refuse to perform work which in their view is dangerous to their health or safety.

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

* * *

HEALTH AND SAFETY COMMITTEE ACT, 1977

MEASURES RESPECTING HEALTH AND SAFETY COMMITTEES IN WORKPLACE

Mr. Edward Broadbent (Oshawa-Whitby) moved for leave to introduce Bill C-399, respecting health and safety committees in the workplace.

Mr. Knowles (Winnipeg North Centre): Explain.

Mr. Broadbent: Mr. Speaker, the purpose of this bill is perfectly straightforward. It would establish health and safety committees for working people in their places of work.

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

[Mr. Jamieson.]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO PROVIDE FOR PAYMENT OF MATERNITY BENEFITS FOR ADOPTED CHILDREN

Mr. John Rodriguez (Nickel Belt) moved for leave to introduce Bill C-400, to amend the Unemployment Insurance Act, 1971, (benefits to adopting parent).

An hon. Member: Explain.

Mr. Rodriguez: Mr. Speaker, since working women contribute to the unemployment insurance fund, it is felt that they should be entitled to the benefits of the act. The purpose of the bill I am introducing is to correct certain discriminations and would allow women to collect maternity benefits no matter whether they adopt their children or bear them by natural birth.

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

* * *

• (1510)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 204, 214, 1,257, 1,266, 1,270 and 1,502.

[*Text*]

CONSTRUCTION OF LIFEBOAT BASES

Question No. 204—**Mr. Marshall:**

1. Is it the intention of the government to build four new lifeboat bases in Shippegan, New Brunswick, Souris, Prince Edward Island, Louisbourg and Sambro, Nova Scotia and, if so, what is the estimated cost of (a) the bases (b) each new lifeboat?

2. In determining the strategic location of the bases, was any consideration given to the wide gap of coverage on the west coast of Newfoundland between bases CG-114 in Burgeo and CG-109 in St. Anthony and, if not, for what reason?

3. (a) What is the capability and operational coverage of the four 44-foot self-righting steel-hulled lifeboats, particularly insofar as their capability under ice conditions is concerned (b) can the government confirm that the capability of the lifeboats is restricted to a few inches of ice, which in fact severely limits their capability?

4. With reference to a letter of December 5, 1975, from the Minister of Transport to the Member for Humber-St. George's-St. Barbe, is any reconsideration being given to deployment of new lifeboat bases in the Atlantic region to cover western Newfoundland between lifeboat bases CG-114 and CG-109, a distance of 400 miles?

5. How is it expected that the area between lifeboat bases CG-114 and CG-109 will be covered, when the coverage of each base is operational only up to fifty miles?

6. Is any investigation planned into the basic and fundamental lack of appreciation of the objectives of search and rescue exhibited by those responsible for the neglect of a 400-mile strip of seaboard on the west coast of Newfoundland?

7. Is the destroyer escort *Annapolis* still designated under international agreement as a fisheries inspection vessel?

8. Are any other Canadian ships being designated by the government of Canada for fisheries inspection under bilateral agreements with foreign nations, viz: USSR, Spain, Portugal, etc.?

9. What departments are involved in the apprehension and boarding of foreign vessels under bilateral agreements?

10. As a result of a DOT release of May 16, 1975, have any of the new proposed lifeboats been delivered and, if not, what is the expected date of delivery?

11. What are the details of the electronic aids to navigation and the complete range of life saving and rescue equipment to be incorporated into the lifeboats being provided?

12. What agency of DOT is making arrangements to provide search and rescue capability in the Atlantic region?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by Transport Canada and Environment Canada as follows: 1. The lifeboat base at Shippegan, New Brunswick, was established in October, 1975, and at Sambro, Nova Scotia, in April, 1976. The bases at Louisburg, Nova Scotia and Souris, Prince Edward Island, became operational at the beginning of June, 1976. (a) Estimated cost of operation and maintenance of these four bases is expected to be $508,786 for the fiscal year 1976/77. (b) Each lifeboat costs approximately $300,000.

2. Areas where lifeboat stations will be of use to a maximum number of vessels are given priority.

3. (a) The capability of 44 foot self-righting steel-hulled lifeboats has proven satisfactory for search and rescue purposes. They operate within a 50 mile radius from their bases, each has 400 horse power and is capable of towing vessels up to 50 feet in length. (b) These boats are designed to operate only in very young ice.

4. At present, in addition to the lifeboat bases which have already been decided, no new bases are under consideration.

5. The fact that there are no lifeboats based on the west coast of Newfoundland does not mean that area is without SAR protection. Search and Rescue coverage on this coast of Newfoundland is provided by other vessels operating in the area which are tasked for SAR when required and by the CAF Rescue Squadron at Summerside, P.E.I. The stationing of additional search and rescue helicopters in Newfoundland and the establishment of a Canadian Coast Guard Marine Search and Rescue Emergency Centre at St. John's, Newfoundland as announced recently will greatly improve the protection available to all fishing vessels and other shipping on the west coast of Newfoundland.

6. No such investigation is planned. The operational area of a lifeboat is 50 miles from its base and it was never intended to have such a base every 50 miles on the Atlantic Coast but rather in areas where these boats could be of maximum use.

7. Yes. In addition to the HMCS *Annapolis,* all 11 other DND destroyers on the Atlantic are designated as fisheries inspection vessels. These have been so designated since December, 1974. They are HMCS *Algonquin;* HMCS *Assiniboine;* HMCS *Athabaskan;* HMCS *Fraser;* HMCS *Huron;* HMCS *Iroquois;* HMCS *Margaree;* HMCS *Nipigon;* HMCS *Ottawa;* HMCS *Saguenay;* HMCS *Skeena.*

8. No, there are no other Canadian ships other than the 24 ships now designated by the government of Canada for fisheries inspection under bilateral agreements with foreign nations viz: U.S.S.R., Spain, Portugal etc. As such, the bilateral agreements do not require Canada to designate specific vessels for enforcement purposes. The agreements simply recognize that upon extension of fisheries jurisdiction to 200 miles by Canada all foreign fishing in the zone will be governed by Canadian regulation and be subject to Canadian enforcement procedures. The designated fisheries inspection vessels in addition to the 12 destroyers are: Fisheries and Marine Service Department of Fisheries and Environment CGS *Chebucto;* CGS *Cygnus;* CGS *Golden Bay;* CGS *Nonia;* CGS *Arctica;* CGS *Baffin;* CGS *Dawson.* Ministry of Transport CCGS *John Cabot;* CCGS *Bartlett;* CCGS *Sir Humphrey Gilbert;* CCGS *Alert;* CCGS *Daring.*

9. Department of Fisheries and Environment, Department of National Defence and the Department of Transport.

10. The four lifeboats were all delivered in the latter part of 1975.

11. The following equipment is fitted on board: Radar, magnetic compasses, radio direction finder, LORAN, first aid equipment, search lights, towing lines, line throwing apparatus, pyrotechnics, power chain saws, inflatable liferafts, inflatable boats, outboard motors, stretchers and portable pumps.

12. The Canadian Coast Guard.

MARKET VALUE OF SHARE CAPITAL FOR CANADIAN COMPANIES

Question No. 214—**Mr. Orlikow:**

1. Has Statistics Canada or the Superintendent of Insurance any estimated figure, for any recent years, of the gross amount of share capital and the gross market value of such share capital of all Canadian public companies and, if so, what are they?

2. How much in terms of percentages and/or dollars of the shares of Canadian public companies are now held by (a) private pension funds (b) mutual funds (c) non-profit foundations?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as Statistics Canada is concerned: No official estimate of the market value of share capital for Canadian companies exists. However, figures are published of share holdings of trusteed pension plans and mutual funds at market value. No estimates, either official or unofficial, exist for holdings of non-profit foundations. On the basis of the net worth of Canadian non-financial and financial companies, other than government enterprises, it has been possible to derive a very rough approximation of market value of shares. At the end of 1972 this figure stood at approximately $74 billion. The book and market value of shares held by Trusteed pension plans including their investment in pooled pension funds, as published in "Trusteed Pension Plans Financial Statistics"—Catalogue No. 74-201 were $4.6 and $3.8

billion respectively in 1974. The corresponding figures for mutual funds as published in "Financial Institutions—Financial Statistics"—Catalogue No. 61-006 were $1.3 and $1.1 billion. It should be emphasized that the total figure is only a proxy for the market value of shares outstanding and that because of the volatility of the stock market, the above totals are subject to substantial year-to-year changes.

In so far as the Department of Insurance is concerned: No further information is available.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—ATHLETIC AWARDS

Question No. 1,257—**Mr. Schumacher:**

1. In each year, to date, since the inception of the Fitness and Amateur Sports Programme, how many athletes have received grant-in-aid awards from the Fitness and Amateur Sports Branch of the Department of National Health and Welfare?

2. In each case (a) who was the athlete (b) in which sport(s) did he or she participate (c) how and for what reason was he or she chosen (d) by whom was he or she chosen (e) what was the form of award and amount received?

3. In each case, what was the athlete's standing on the International Federation's list?

4. In each case (a) what competitions did the athlete compete in (b) where did the competition take place and what was his or her final standing in each event?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1.

Year	Number of Athletes who have received grants in aid
1970-71	68
1971-72	305
1972-73	579
1973-74	576
1974-75	386
1975-76	525
Total	2,439

2. (a), (b) and (e). The hon. member has been personnally advised as to the voluminous nature of the information requested (i.e. the names of 2,439 athletes, the sports in which they participated and the form of their awards). It was agreed that requests for such information should be made directly to the Program Operations Officer, Programs Operation Directorate, Fitness and Amateur Sport Branch at 365 Laurier Street West, Ottawa. K1A 0X6. (c) and (d) Upon the advice and recommendation of a selection committee of each of the various national sports governing bodies, the National Selection Committee and the Game Plan Technical Committee of the Fitness and Amateur Sport Branch recommends to the minister, for approval, the names of those student-athletes best qualified for a grant-in-aid.

3 and 4. Information concerning the international ranking of athletes involved in the Olympic disciplines, as well as information regarding the competitions, their locations and the athlete's final standing in these competitions is not available from the Fitness and Amateur Sport Branch. Enquiries of this nature should be directed to the national sports governing bodies and to the athletes' respective national associations.

ORANGEDALE ALCOHOL PROJECT

Question No. 1,266—**Mr. Crouse:**

1. Did the Orangedale Alcohol Project of Orangedale, Nova Scotia, qualify for a grant from the Department of National Health and Welfare and, if so, under what programme was the grant awarded?

2. What was the amount of the grant and for what purpose was it given?

3. What are the names and addresses of the project's sponsors?

4. How many people will be employed as a result of the project?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. The project qualified for a contribution under the Alcohol, Tobacco and Drug Resource Fund Contributions Program of the Non-Medical Use of Drugs Directorate (Health Protection Branch).

2. The project received approval for funding in the amount of $43,200 for the period September 15, 1976 to August 15, 1977. The project will attempt: (a) to refine data collected in the summer of 1975 on teenage alcohol consumption at the community and country levels; (b) to develop a model alcohol education program, based on locally perceived alcohol and drug issues, and integrated into a school-based health education program; (c) to present the information gathered on local teenage drinking to small community groups and to discuss possible responses. These would reflect the degree of local concern and take advantage of as many available local resources as possible.

3. The project sponsor is: Board of Directors, Orangedale Alcohol Research, c/o John Fuller, President, R.R. No. 1, Orangedale, Cape Breton, Nova Scotia.

4. Three people will be employed: one full time; two part time.

CALENDAR "AGRICULTURE GOES METRIC"

Question No. 1,270—**Mr. Epp:**

Was a calendar published by Agriculture Canada entitled "Agriculture Goes Metric" and, if so (a) what was the cost (b) how many calendars were printed (c) who designed these calendars (d) were tenders called for the design and production of the calendars and, if not, what method was used to award the contract and/or contracts for design and production?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): In so far as Agriculture Canada is concerned: Yes. (a) $106,846.60; (b) 354,000; (c) Miln-Bingham Limited; (d) Contracts for design and production were awarded by the Department of Supply and Services.

In so far as the Department of Supply and Services is concerned: (d) Yes, competitive tenders were called for design and printing separately.

INSULATION

Question No. 1,502—**Mr. Herbert:**

1. Is there a shortage of insulation material for residential use?

2. What percentage of the domestic production of wool batts and loose wool insulation material is exported?

3. What percentage of the domestic consumption of wool batts and loose wool insulation material needed for residential use is imported?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. By its nature, insulation cannot economically be transported long distances. For this reason localized shortages can occur from time to time in various parts of the country when local demand exceeds local supply. Currently, there is no general shortage of insulation in Canada.

2. Statistics Canada does not publish export statistics in sufficient detail to provide this information on Canada's exports of insulation.The Department of Industry, Trade and Commerce estimates this figure to be quite low on a year-to-year basis.

3. Import statistics for mineral wool batts and loose wool insulation lack the detail required to provide a definite figure, which one can relate to domestic consumption. The Department of Industry, Trade and Commerce estimates the percentage of domestic consumption provided by imports is currently about 8 to 10 per cent.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 173 and 1463 could be made orders for returns, these returns would be tabled immediately. The answers are presented in this way because they are very long.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Text*]

LAWYERS RETAINED BY GOVERNMENT IN DARTMOUTH AND HALIFAX

Question No. 173—**Mr. Forrestall:**

How many lawyers have been retained by the government and its agencies in (a) Dartmouth (b) Halifax County, Nova Scotia, since January 1, 1970, to date and, in each case (i) what are their names (ii) how much were they paid?

Return tabled.

CIDA—FOOD AID

Question No. 1,463—**Mr. Murta:**

1. For each year 1972 to 1975 and by country, what food aid in the form of grains was supplied by the Canadian International Development Agency and, in each case (a) what was the number of bushels shipped (b) what was the total dollar value?

2. In each case, what ships carried the grain?

3. In each case, who were the governmental agencies in the recipient countries that CIDA dealt with?

Return tabled.

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN HUMAN RIGHTS ACT

MEASURE TO PROTECT PRIVACY OF INDIVIDUALS

The House resumed, from Wednesday, February 16, 1977, consideration of the motion of Mr. Basford that Bill C-25, to extend the present laws in Canada that proscribe discrimination and that protect the privacy of individuals, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Pierre De Bané (Matane): Mr. Speaker, I mentioned yesterday certain categories of discrimination which are not covered in the bill before us. I mentioned among other things the "freedom of conscience" which is not provided for as such in the bill in the provisions on religion; I feel this is a much very wider extension of the freedom of any individual to practise the religion of his choice or to decide not to have any religion. I also talked about expanding the provisions in the sexual area to cover homosexuals who are still discriminated against in spite of the fact that we amended the Criminal Code several years ago. I also mentioned other categories like the political beliefs and the social or economic conditions of people.

Today I would like to insist on one area of discrimination which is not mentioned as such in the bill and which, in my humble opinion, should have priority if we consider the political context in this country, its history and its problems: I refer to language. Of course, the bill does mention national or ethnic origin as well as race but, Mr. Speaker, I think that the word "language" should absolutely be included in the bill.

We are all aware, I hope, of the acuteness of the linguistic issue in this country, and I find it absolutely strange and astounding that the bill fails to mention this motive which, for a large part of the population, namely Francophones, constitutes in our view a discriminatory practice which has been investigated in depth, among others by the Royal Commission on Bilingualism and Biculturalism.

I believe, Mr. Speaker, that the Minister of Justice (Mr. Basford) who introduced this bill will have to agree to add this motive, not to lessen the others that are already in the bill, but to recall that, given the number of Francophones in Canada, this problem is of prime importance for French-speaking

people. The Royal Commission on Bilingualism and Biculturalism has shown to what extent French-speaking people, or Francophones, are discriminated against. For instance, how in the province of Quebec, in spite of the fact that they are in the majority, they are at the bottom of the income scale. I think that by trying to skip this question, which is fundamental for us as well as for a good part of the people, namely French-speaking Canadians, we are not being fair to them in this bill.

To explain my view, Mr. Speaker, I shall refer to clauses 9 and 10, which affect both unions and employers, and see to what extent those clauses, in their present wording, could have spared us, for instance, the crisis which we are now experiencing at Air Canada. Given the wording of these clauses, I do not think that they would have prevented the discrimination suffered by French-speaking Canadians, particularly mechanics in Air Canada's workshops in Montreal.

Here, Mr. Speaker, I would like to quote some findings from the Official Languages Commissioner's report published two weeks ago and submitted to Air Canada's chairman regarding the situation of Air Canada's French-speaking employees. I am quoting from page 5 of the report: "Although Air Canada has made visible progress, particularly in its eastern region operations, at the moment of our review the situation was generally unacceptable for the corporation's French-speaking employees." English was the almost exclusive working language within the services of the head office and the employees in the eastern region had to use it when communicating with the head office.

The study stressed more particularly the following defects: lack of a dynamic policy promoting the use of French; lack of French working facilities which are essential to employees; deficiency in the recruiting policy and laxism in the staffing of bilingual jobs; lack of bilingual senior officers; insufficient technical training in French; negative attitude of some senior officers with respect to the use of French for operational communications.

Mr. Speaker, after reading this excerpt, I must again say with renewed emphasis to the Minister of Justice (Mr. Basford) and the Solicitor General (Mr. Fox) that the recognition of the language as a reason for illicit discrimination should absolutely be included in this bill if we really want to give justice to those groups which the Commission on Bilingualism and Biculturalism considered as the other majority.

● (1520)

So, I repeat that clauses 9 and 10 in their present form have not dealt with the situation which was described by the Official Languages Commissioner and which we all know. I think that this demonstrates most eloquently that, as concerns reasons for discrimination based on language, the bill as drafted falls far short of the present situation.

Clause 14 of the bill provides, I think, an easy way out as it stipulates that refusal, exclusion and expulsion are not discriminatory practices if they are based on a bona fide occupational requirement. This is the pretext always used by Air Canada to justify the exclusion of French-speaking people from that Crown corporation. If we leave to the employer total discretion to declare when exclusions, refusals or expulsions are based on a bona fide occupational requirement and he is the only one to establish it, I think it is an easy way out of observing the objective of the bill.

Another provision that, I think, should be amended is clause 19 of the bill providing that the cabinet can, in a contract with a third party, demand that the provisions of this bill be observed. I do not understand how this clause 19 gives such discretional powers in a field like this one, as it means that companies contracting with the government will be able, unless otherwise provided, to discriminate and engage in practices that are considered in this bill as contrary to public order and justice.

I think that clause 19, by not forcing the government to demand that companies contracting with it refrain from discriminatory practices provided in this bill, represents a dilution of principles according to which we believe that nobody in our society should be the victim of a discriminatory practice. Another provision I find quite strange is paragraph 13(2) where, after it is provided in the first part that it is forbidden to communicate telephonically to expose a group of people to hatred, it says that there is no offense when it is done through a broadcasting undertaking. If it is forbidden to expose a certain group to hatred telephonically, I think it should also apply to the use of broadcasting.

The Solicitor General reminds me that we passed a section on that subject in the Criminal Code a few years ago when the right hon. Prime Minister (Mr. Trudeau) was minister of justice, which is true. But I do not think it is a good legislative approach to stipulate in a bill on discrimination that it does not apply in the case of communications on radio or television and I am convinced that the Solicitor General will agree with me.

Finally, Mr. Speaker, I would like to remind the House that the United States went much further by creating the Commission for Equal Employment Opportunity. Indeed, it is forbidden in the United States to engage in discriminatory practices, not only within the government itself but also in the big corporations to whom the government contracts out. Moreover, they must take what is called "affirmative action", that is dynamic action to compensate and remedy an unacceptable situation. I do not think this bill does as much since it does not stress what the Americans call affirmative action and what I would call dynamic action.

I believe, Mr. Speaker, that we are wrong in thinking we will solve our problems if we simply go on saying it is forbidden to discriminate against Indians without making it mandatory, as did the United States with the Commission for Equal Employment Opportunity, to establish positive programs to correct the whole situation within a few years.

Finally, I would like to mention that this bill gives too much importance to regulations that the governor in council may make in future. When comparing this bill, especially the second part dealing with privacy, to The Privacy Act adopted in 1974 by the American Congress, we realize that it is much

shorter than its American counterpart, mostly due to the fact that we refer too many decisions to the governor in council. Recently, a committee made up of members from all the different parties came to the unanimous conclusion that all too often when civil servants are allowed to enact regulations, they cause abuses and breach the fundamental rights in which we believe.

Finally, in respect of the language problem, it will no doubt be referred in the course of this debate to a provincial statute, namely Quebec's Bill 22, which grants some sort of precedence to the French language in Quebec. My impression is that, in opposition to that act, there will be allegations that it discriminates against the English language in Quebec. In answer I would call attention to clause 15(1) of this legislation, where it is provided that:

> It is not a discriminatory practice for a person to adopt or carry out a special program . . . designed to prevent disadvantages that are likely to be suffered by, or to eliminate . . . disadvantages that are suffered by, any group . . .

My intention is not to discuss here the pros and cons of Bill 22, this would be irrelevant anyway. I would simply submit the following reflection to my hon. colleagues: French-speaking Canadians outside Quebec would be quite happy if they were granted in their provinces the same rights that are recognized under Bill 22 to the English-speaking minority in Quebec.

I simply want to remind them that no group of French-speaking Canadians outside the province of Quebec enjoys the same rights as those recognized through Bill 22 to the English-speaking minority in Quebec. One must wonder how we can speak of equal and symmetrical measures when 98 per cent of people in North America use the English language currently with a French-speaking minority of about 2 per cent. If one thinks that it is the English language that is threatened in Canada and in North America where 98 per cent of the people use it, I would say that the blindest of all is he who does not want to see.

Those are, Mr. Speaker, some of the comments which come to my mind at this stage of debate on this bill. I hope that in committee each of us will be able to suggest amendments to strengthen the bill so that the basic intent of this legislation will be the primacy of the individual, the primacy of the human being over institutions, which should be our first concern, I believe. This purpose could be better served than in the present bill, which of course represents a step toward the improvement of the situation, but which does not go far enough, in my opinion.

[*English*]

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I am pleased to have an opportunity of debating what I consider to be a very important bill. I am pleased that my hon. friend from Fundy-Royal (Mr. Fairweather) set the tone of the debate by indicating that there are problems which must be attended to, hopefully by way of amendments to the bill, to ensure the emergence of satisfactory legislation which at present is not satisfactory.

● (1530)

My hon. friend for Matane (Mr. De Bané) has indicated that there are some problems with respect to the "hate message" provision. He wondered, as I do, why broadcasting is an exception. I will have something to say about that, as well as about the awarding of contracts under, I believe, clause 19 and about the protection of personal information.

I think the debate on this bill is timely. I become a little dismayed when I pick up newspapers across the country and read that we have been relatively silent at the federal level about the verbal and physical assault and harassments which the visible minority in particular have been experiencing in the past few years. Therefore, it is about time we in this House realized that there is a role we can play, an interest that must be shown and a concern that should be registered. That is why, if I seem to be a little off target with respect to this bill, Mr. Speaker, you will understand because I want to bring forward some thoughts that I have, in the very short time at my disposal, in regard to what is happening in Canada and what I think Canada should be all about.

Since my election to the House of Commons I have had the opportunity on many occasions to travel the width and breadth of this land. Because of this opportunity I have been reminded continually of the greatness of this country, not so much because of its size but because of its way of life which has evolved and continues to evolve through the talents and cultures of peoples from various backgrounds.

In Canada we are overcome by the consciousness of the enormous task that needs doing. We all know that Canada takes in the northern half of the North American continent, involving a huge mass of real estate within which lies some of the world's richest resources. We have the responsibility, first, of maintaining our ownership and, second, of developing these resources for the benefit of mankind. This responsibility and development is a challenge for all Canadians regardless of race, creed or colour. This is a challenge of enormous implications, and to meet this challenge all people need, and deserve, the understanding and accord of each other and the assistance of enlightened government policy.

We are a nation of some 22 million people living together, involving various cultures, lands and heritages, all working together in dedication and with common purpose, the ultimate aim being a greater Canada in which all can share its wealth through equality of opportunity. Let me remind you, Mr. Speaker, that statesmen, politicians and economists are only incidental in the pursuit of the building of Canada. It is the people who will make or break this nation's life. What of its people? I am reminded of the comments of a citizenship judge who said:

> This nation has been enriched by the loyalty and sacrifice of persons who have come from many lands, heritages and traditions. To each this nation has given a chance to live and grow and share in the Commonwealth. From each Canada has accepted the gifts of different cultures and made them into an enduring heritage from sea to sea. This rich heritage is yours, as it is mine, because we are Canadians.

The hon. member for Edmonton Centre (Mr. Paproski) in a speech some time ago paraphrased a sentiment which I thought was put so beautifully. I should like to say that I maintain that our country has been enriched by the beautiful and noble culture of the first Canadians; by the gaiety and passion of the French Canadians; by the measured dignity of the Anglo-Saxons; by the stern efficiency of the Teutonic races; by the vivid tones of the Celts; by the moving processional of 1,000 years by the Baltic peoples; by the diligence of the Italian community; by the beauty and age-old mystic of Asia and Africa; and by the grandeur and pathos of the Jewish pilgrims.

As Canadians, we have rejoiced in and have been strengthened by all of these different and varied qualities of enrichment. No Canadian race, no melting pot, no fashioning all into one mould, but, rather, we are pursuing the attainment of an identity which is based on intelligence, tolerance and decent, neighbourly attitudes. We are in the midst of the great Canadian experiment, that is to say, freedom to pursue our legitimate aspirations and evolving further: equality of opportunity; greater appreciation of different cultures, heritage and customs; and last but not least, bringing about racial accord.

In light of the fact that we are still in the midst of this great Canadian experiment, and because some are not even aware of the same, it is necessary from time to time to reflect again on what it hopes to accomplish. When I speak of the great Canadian experiment, I am speaking about a very simple principle which is the elimination of inter-group prejudices which disfigure and distort religious, business, social and political relations, with a view to the establishment of a social order in which the religious ideals of government and justice shall become the standards of human relationships.

This legislation gives us an opportunity to dedicate ourselves as individuals to the basic ideals of respect for people and human rights, which are essential to our way of life and, further, to dramatize the practical things which people can do to promote understanding and realization of these ideals at the federal level, thus giving leadership to all Canadians on human relations. Although there has been considerable improvement in attitudes, one must admit there are still too many who have kept, and do keep, people down or let them stay down by using powers either openly or subtly in discriminatory ways. For centuries many have fought for equality and although, as I have said, things have improved, it seems to me we still have work ahead of us. Indeed there has been progress, but nevertheless in Canada and throughout the world there still remains a degree of social and economic injustice based on colour, religion, language and sex.

The special needs and requests, and even demands, of those affected by discrimination because of colour, religion, language or sex are treated with apathy and indifference by too many people, such as those in positions of power, including members sitting in this chamber. There can be no doubt that the legitimate aspirations of these people to achieve recognition or redress are at times ignored completely, or even met with outright hostility. Accordingly, notwithstanding improvement, there is a backlog of social and economic problems that can no longer be ignored if for no other reason than people have refused to remain patient in the face of injustice or settle for token measures that placate but do not remedy.

Many of us have been the victim of racial discrimination and have suffered grinding poverty and eventual degradation, a serious disability in facing the world. People of colour, in particular, have faced these horrible odds and obstacles and have kept alive their traditions and hopes notwithstanding. It seems to me that all the various stigmas and restrictions imposed on people, whether consciously or unconsciously, whether derived from colour, form of religious worship, degree of education, language, sex, and all the rest, are simply impediments to the advancement and development of an expanding society.

The tragedy in Canada is not only that many of those classed as visible minorities have not been completely accepted or recognized in a white society, but as well our human resources, a priceless social asset, are not permitted to make or are restricted from making a maximum contribution to Canadian society. No one in Canada should have to limit themselves socially, politically, culturally or economically. Yet by the actions of some, whether consciously or not, many of our people have been limited.

As a member of the Senate and House of Commons Joint Committee on Immigration, I travelled across this country and noticed that there still remains in varying degrees and in different locations in Canada racial and religious discrimination. Let me assure hon. members that despicable hate letters and hate messages are still around, and insidious social discrimination continues to rear its ugly head. But what is most important, I found that the vast majority of Canadians find these attitudes and actions despicable, distasteful, not wanted and not needed, which to me is certainly very encouraging.

Myths and untruths were prominent during these hearings, but the committee, after deliberation subsequent to the hearings, attacked many if not all of the myths and certainly emphasized truths. For example, quoting from the report of the joint committee, section 20 thereof:

> A persistent theme of submissions, hostile to immigration, was the view that immigrants crowded cities, exacerbating housing shortages, increasing the crime rate, bringing infectious diseases, taxing the welfare rolls and government services and causing unemployment by taking jobs from Canadians.

In this regard the committee reached the following conclusion:

● (1540)

> The committee recognizes that all these problems are faced by rapidly growing cities but concluded they are caused by economic, social and cultural dynamism of cities and their attractiveness to Canadians and immigrants alike.

The committee further concluded:

> Canadians worried about the quality of life in our cities should look elsewhere than to sharply reduced immigration for a solution to the problems of city living.

I would refer again to the report. Section 22 continues:

> Similar misconceptions also abound regarding the impact of immigration on social services and benefits and health care. None of the testimony supported

with facts the popular notion that newcomers are using these services more than the native-born. If anything, the committee has the impression that the use of such services by immigrants falls below the national average for the obvious reason that many come from countries where such services are traditionally provided by the family. Indeed, it would appear that interprovincial and rural to urban migrants make greater use of government support than persons from abroad.

Section 23 has an interesting conclusion, and I quote:

Nor do immigrants participate less actively in the work force than long-term residents.

Another myth was exploded, and in this regard I would refer to section 24 which reads in part as follows:

Some submissions contained allegations that immigrants, especially the non-white, contribute proportionately to the crime rate—

Expert testimony did not support this charge, and I emphasize that. It continues:

—and in a study prepared for the ministry of the Solicitor General of Canada in 1974 statistics indicated that the crime rate for immigrants was approximately one-half that for native-born Canadians.

Another section which I believe is worthy of your consideration is section 26, which reads:

The committee recognizes that it has been through the contributions and efforts of successive generations of immigrants that Canada has grown to be the relatively secure, prosperous and satisfying place it is. About four million immigrants have come to Canada since World War II. Their skills, their energies and their enthusiasm have added immeasurably to every facet of Canadian life and have created a vibrant multicultural mosaic. The committee firmly believe that the settlement of post-war immigrants alongside the founding cultures is one of the most positive chapters in Canada's post-war history. It looks to immigration to continue to contribute to the economic, cultural and social well-being of the country.

I would like to read another commendable section in the report, section 39, which reads as follows:

There is a danger of creating second-class citizens of many foreign-born who have made their homes in Canada. It is evident that the ability of newcomers to adapt readily and successfully to Canadian life is in large part contingent on the esteem in which they are held by their chosen communities and on the existence of non-discriminatory treatment in employment, housing and services. The committee makes this assertion in the confident belief that the majority of the Canadian people are tolerant and generous, and not prepared to condone racial hostility and discrimination.

The committee also reported, in effect, that Canada has become to a large extent a multicultural and multiracial society, and it further stated that in order to promote inter-group understanding the committee recommends public and school education as well as legislative action to protect Canadians and immigrants alike from racial and ethnic discrimination. This society of ours, of course, must become greater, and in order to achieve the ultimate in greatness we must be prepared to understand that in our diversity lies a tremendous asset and that intolerance, injustice, discrimination and hate can only bring us to ruin.

As Thomas Curtis Clarke stated: "Let us no more be true to boasted race or clan but to the highest dream, the brotherhood of man". Will you allow me, Mr. Speaker, to quote Stephen Vincent Benet who said:

Grant us brotherhood not only this day but for all our years. A brotherhood not of words but of acts and deeds. We are all children of the earth; grant us that simple knowledge. If our brothers are oppressed, then we are oppressed; if they hunger, we hunger; if their freedom is taken away, our freedom is not secure.

Canadians must stand against prejudice, Canadians must stand for justice, and they must stand for equal opportunity for all. We as Canadians, have, I remind the House, a commitment to that end. Since December 10, 1940, when the United Nations adopted the Universal Declaration of Human Rights, there has been an increasing awareness in many countries of the need for enactment of domestic laws and the creation of internal mechanisms to deal with discrimination. In this regard, all provinces have enacted statutes respecting human rights and I believe all those statutes have provisions for the establishment of a human rights commission. Of course, the provinces have taken the lead in this field because discriminatory practices have tended to be more prevalent in matters under provincial jurisdiction in the areas of employment, accommodation and services, and because so many more Canadians are involved with matters under provincial jurisdiction.

What about the federal government? At present the federal government and its existing anti-discrimination provisions, federal statutes and regulations, are fragmentary. For example, within the Canada Labour Code, which deals with fair employment practices, certain provisions apply to the employment practices of organizations such as banks, railways, etc., under the jurisdiction of parliament, but do not include employment by the Crown in right of Canada, which is certainly unacceptable. I hope that will be rectified now.

I mentioned taped messages earlier which in my view, reflecting on the arsenal of hatred involved in which the taped voice is included, spilling forth malice and tolerance on the telephone, is the most insidious. After discussion with the provinces, and particularly with the attorney general of the province of Ontario, we now have a provision within this act regarding hate messages. But, as I pointed out earlier, it should include broadcasting. I hope that my colleagues on both sides of the House will ensure that this provision is accepted. The federal government is involved with a multicultural society; let us make no mistake about that. Although we do have much legislation which attempts to protect human rights and the dignity of man, more is needed. In asking for more, it is sad to reflect that our society is so warped that it continually needs to introduce legislation to bring about racial accord. Accordingly, a Canadian human rights act was introduced. The purpose of this bill is to prohibit discrimination in all matters within federal jurisdiction on the grounds of race, national or ethnic origin, colour, religion, age, sex, marital status, etc. The bill also provides for a Canadian human rights commission at the federal level.

Because of this act there will be an over-all body of law at the federal level to which persons may resort when they consider themselves harmed by the discriminatory practice of organizations, Crown corporations or persons whose activities fall within the legislative authority of parliament. As well, there will be legislation providing for the establishment of standards on the basis of which personal information and government records are accurate, accessible to the individual, and used only for authorized purposes. When we look at this

matter of the protection of personal information, we find that part of the preamble of Bill C-25 states that:

> The privacy of individuals should be protected to the greatest extent consistent with public order and well-being.

Compared to the universal declaration of rights section dealing with privacy, this is vague, weak and limited. Clause 52 and the noble sentiments of the preamble sound good. However, with the exceptions outlined in clauses 53, 54, 55 and 62(1)(d), all of clause 52 is made, or can be made, potentially useless since records can be withheld from the proposed information bank, or only partially listed at the discretion of any minister in charge of an information bank. Accordingly, the intent of clause 52 is completely emasculated and becomes useless. The whole section on privacy is like a game of definitions in which the individual has most of his right to information to lose. For instance, subclause 52(2) provides that individuals must be consulted before records are made available for any non-derivative use.

Note, however, that in defining "derivative use" the legislation hinges it upon the minister's opinion, that is, a derivative use is one that in the opinion of the minister is consistent with the use for which the record was compiled. This, in effect, means any use, since we all know that word games are the easiest to play.

Another instance is clause 55 which, in effect, is a blanket discretionary clause cloaked in terms relating to public benefit and the cost of applying the clauses or provisions. Any provision will not apply if the minister feels that the public benefits derived from the application of those provisions will be outweighed by the costs. This clause alone could reduce the information available to strictly trivial information collected about an individual. The cost of many rights in monetary terms may outweigh the public benefit, but this does not mean we should not be willing to bear that extra cost. I read somewhere that this clause of the bill was rewritten 15 times. I am sure that was to make certain that the bill was couched in such terms that the government would not have to reveal anything it did not wish to reveal, while at the same time appearing to have a comprehensive personal information policy.

If this legislation is passed as it stands, people will not have access to many records because they will not be listed in the government index which supposedly is compiled to inform us and aid us in obtaining information. People will not be able to ascertain accurately to what uses those records have been put since knowledge of the existence of secret records and partially listed records will be beyond the access of the individual. Of course, even if a record is available, one could never be sure that it is complete since the minister has the discretion to restrict the information published. The principle behind these exemptions seems a little absurd because, in effect, they counteract the underlying purpose of this part by preventing an individual from seeing information collected about himself on herself. In short, the protection of personal information is very inadequate and this part should be scrapped completely and rewritten.

[Mr. Alexander.]

• (1550)

Another major objection to the bill is that there is no explicit clause dealing with the manner in which government contracts will be awarded, that is, a contract compliance provision. Granted, clause 19 states that the governor in council may—which is permissive—make regulations with respect to this matter, but it is not clearly and effectively delineated and it is too important to be stuck away in the regulations. In my view, the legislation should be rewritten and the commission specifically empowered to give certificates of compliance to all prospective bidders on government contracts. For example, every department or agency awarding contracts for construction, alteration or repair of public works must employ direct methods of ensuring that minority group persons are employed to a significant degree on all such projects—and this goal must apply wherever public funds are expended.

The obligation thus placed on an employer to provide employment opportunity requires more than his willingness not to discriminate, more than a posture of neutrality. For this reason compliance laws, is most cases, are accompanied by affirmative action programs. I could go on with respect to that matter, Mr. Speaker, but my time is running out and I did promise to conclude very shortly.

In any event, by a direct and visible effort we are attempting to support the original objectives of the United Nations proposed decade programs which are to promote human rights and fundamental freedoms for all without distinction as to race, colour, descent, national or ethnic orgin, especially by eradicating racial prejudice, racism and racial discrimination; to arrest any expansion of racist policies; to eliminate the persistence of racist policies and to counteract the emergence of racist policies and to counteract the emergence of alliances based on mutual espousal of racism and racial discrimination; to resist any policy and practices which lead to the strengthening of the racist regime and which contribute to the sustaining of racism and racial discrimination; to identify, isolate and dispel the fallacious and mythical beliefs, policies and practices which contribute to racism and racial discrimination; and to eliminate racist regimes.

The cancerous sore of racism, prejudice and discrimination which devours reasoning, love, compassion and tolerance is a problem for which education alone in the schools, the churches and the home is not enough, and therefore calls for other treatment. In this regard I place emphasis on the political scalpel—in other words, legislation—which can ensure that all of us in this multicultural society will have a meaningful future. It seems to me that many of us believe that the winds of change affect underdeveloped countries only, but I point out that in Canada also there is a wind affecting the attitude of all peoples and groups in their day-to-day relationships. Attitudes are affecting the thinking of the United Nations, the dogma of churches, the decisions of courts and the legislative programs of governments. There is a new social awareness and there are new attitudes calling for action.

I am not saying that the government should assure the survival of every ethnic group, but I am stressing that it should

give everyone a reasonable opportunity to survive by seeing to it that the necessary climate for survival is in effect and is maintained. Such action must result in helping to assure that there will be an equal place in all aspects of life in this country for everyone without regard to race, origin or religion, failing which I am immediately reminded of a comment made by a former United States secretary of state when speaking about the American administration. He said:

If no one will listen, the lack of communication will cause more frustration and fear, and fear leads to hate and hate leads to violence.

I am pleased to have an opportunity to become involved with this bill. I would like to see its quick passage so that we can determine how best to contrive methods to make the bill even more meaningful. I am particularly interested in the hate message aspect of the bill because we will need the co-operation and the expertise of Bell Canada. I hope we are making some significant strides in order to see that there will be no hold-up, when this bill is passed, with respect to the installation of the necessary equipment to reduce, if not eliminate, hate messages.

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, I am pleased to take part in this debate on second reading of Bill C-25, legislation to extend the present laws in Canada which prohibit discrimination and which protect the privacy of individuals. It is also known by its short title, the Canadian Human Rights Act. At the beginning of my remarks I would like to commend the Minister of Justice (Mr. Basford) for bringing forward this legislation and also to express our appreciation to the Advisory Council on the Status of Women and to all other associations for their contributions to this bill.

Canadians have waited a long time for this legislation in the federal field, not only because of their personal interest and concern about civil liberties and Canada's commitment to human rights declarations and covenants at the United Nations but also because the federal government has been lagging behind provincial human rights legislation. It is timely that we in this House enact the provisions of this human rights bill, especially during this period known as the decade for action, to combat racism and racial discrimination, a program officially launched by a special United Nations General Assembly on December 10, 1973. Canada supported the adoption of this UN program, and it is only proper that the federal government has ratified the human rights convenants and conventions and continues to bring in legislation to help eradicate discrimination and racism, to increase understanding between the various groups which make up the multicultural and pluralistic society of this country and to promote respect for the human rights and fundamental freedoms of people both within our country and universally.

That is why I warmly welcome the purpose of this legislation, which is that every individual should have an equal opportunity with other individuals to make for himself or herself the life that he or she wishes to have, consistent with their duties and obligations as a member of society, without being hindered in or prevented from doing so by discriminatory practices based on race, national or ethnic origin, colour, religion, age, sex or marital status, a conviction which has been pardoned, or by discriminatory employment practices based on physical handicap.

The bill is also intended to protect the privacy of individuals to the greatest extent consistent with public order and well-being. This bill, therefore, upholds the universally acknowledged fundamental principles of inherent dignity and equal rights to all members of the human race, the same spirit that this House unanimously has demonstrated during the past year or two in voicing its concern wherever human rights have been violated.

However, to be effective and of benefit, human rights legislation must be put into practice and really enforced. The high-minded human rights principles embodied in the constitution of the Weimar republic did not prevent Hitler manipulating those very principles to secure the power to abolish the principles, and today, alas, the human rights principles in the constitutions of many countries are ineffective because they are not enforced. We welcome, therefore, this Canadian human rights bill because of the comprehensive guarantees against infringement of many basic egalitarian rights and the provision of measures to enforce those rights.

Prior to this bill before us today there was only limited protection of egalitarian rights at the federal level in specific areas such as employment practices, fair wages, housing and immigration. Additional protection for federal employees was offered by setting up the anti-discrimination branch of the Public Service Commission and the Public Service Commission appeals branch. However, apparently these protective measures were inadequate and the proposed prohibitions in this bill against discriminatory conduct will apply to all federal departments and agencies and any business or industry under federal responsibility. However, I am puzzled by the absence in the schedule of this bill of Crown corporations such as Air Canada and the CNR. I hope that further speeches on the bill, and the minister's reply, especially at committee stage, will provide answers why these and other questions have been exempted from the schedule.

● (1600)

This bill is timely because it will help defuse racial tensions to which hon. members have already referred and which seem to be increasing in our country. We also welcome the provision which prohibits discrimination on the grounds of sex and marital status, especially the proposal to require equal pay for work of equal value. Above all, the strength of this proposed legislation lies in the provision of enforcement by an independent human rights commission, responsible only to parliament, with wide powers to set up tribunals and to impose financial penalties. To enable this commission to be really effective and progressive, adequate funds must be provided for research and public education, and the government—especially the minister—should make sure that all sectors of our society are represented.

In our complex society which is often overgoverned and frustrated by bureaucratic red tape there is a need to protect

individual privacy and prevent administrative misuse of personal files in government information banks. We must also give our citizens unfettered access to their personal files and the opportunity to propose corrections where errors exist. The proposal in Bill C-25 to establish the position of a privacy commissioner to review any complaint by any individual that he or she is being denied rights under the act makes some progress in meeting the need of citizens who fear that information about them is incorrect or misused.

This bill does not cover everything in the field of human rights. We must admit, however, that it is a step in the right direction and, indeed, an improvement over previous attempts to bring forth human rights legislation in the federal field. Though we do not have a utopia in this country, a parliamentary committee will study the bill clause by clause and interested ethnic groups and civil liberties experts will have every opportunity to study it.

It is urgent, in our present constitutional and national unity crisis, to develop a comprehensive, constitutionally entrenched Canadian charter of human rights. Many people have voiced the same opinion. One such charter, which I believe should be recommended reading material for those studying the bill, was produced by the Prime Minister (Mr. Trudeau) when as minister of justice he inspired many Canadians and the delegates at the 1968 federal-provincial constitutional conference. At that meeting he proposed a constitutionally entrenched bill of human rights for Canada guaranteeing the fundamental freedoms of the individual and equal rights for all Canadians—namely, political, legal, egalitarian, economic and linguistic. I should like to quote from a document entitled "A Canadian Charter of Human Rights", especially the section on linguistic rights, page 27, which reads as follows:

> Education—guaranteeing the right of the individual to education in institutions using as a medium of instruction the official language of his choice.

The hon. member for Matane (Mr. De Bané) made some remarks about linguistic rights. I want to reiterate that all of us have heard complaints that specific sections of Quebec's official language act do not comply with either the spirit or letter of the Canadian charter of human rights nor the international conventions, covenants and declaration on human rights which Canada has thus far ratified. I therefore appeal to the Minister of Justice, often regarded as our chief ombudsman, to examine these complaints and come to the assistance of those sectors of the Quebec population—especially the parents and children of minority ethnic groups—who feel that their linguistic rights in education have been abrogated.

Another complaint to which we should give our attention is the under-representation in parliament and federal agencies as well as the underutilization in industry, especially at senior executive levels, of the skills, talents and experience of members of the minority ethnic groups in Canada. Some progress in this matter has been made, especially in recent years, but more remains to be done to level out the vertical mosaic.

There should be no need for any Canadian to become culturally assimilated or to change the family name in order to obtain a high position in government or industry. I believe the federal government's total commitment to multiculturalism and human rights will lead to harmonious relations in Canada and contribute immensely to national unity which we must strengthen and pass on, enhanced, to future generations.

[Mr. Haidasz.]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as the hon. member for Greenwood (Mr. Brewin) has already pointed out on behalf of this party, we welcome this bill for the good that is in it. We hope that the portions that are not satisfactory will be corrected or improved when the bill gets to the standing committee. In particular, we welcome the declaration of equality of rights amongst all Canadians and the declaration that certain things which are identified as discrimination are to be prohibited. The section of the bill that disappoints us is that having to do with the privacy commission. As I have said, the hon. member for Greenwood has already stated our position with regard to that portion of the bill.

I propose to address my few remarks in this debate exclusively to one aspect of the bill and I hope to say a few things that are specific within that context. I am sure that we all welcome the attempt of this legislation to take us further down the road in terms of equality between men and women in Canada. Other speakers have paid their tributes to those who have participated in the production of this bill. I should like to add to those who have been named such persons as the late Agnes MacPhail, the Hon. Thérèse Casgrain and others of bygone decades who did their best to establish women's rights in this country. We are grateful to the Royal Commission on the Status of Women, which was chaired by Mrs. Florence Bird, and we are appreciative of the work done by the Advisory Committee on the Status of Women and also by the National Action Committee on the Status of Women.

Establishing this kind of equality is a slow process and we all recognize that there are problems. As I have already indicated, however, I wish to speak of a few things in relation to the equality of women with men which have not yet been achieved. As a matter of fact, I am going to get even narrower in my interest than I have suggested. One could talk about the differences that exist between men and women in rates of pay, despite our equal pay legislation; one could talk about the discrimination that still exists in employment; one could talk about the particular problems that face women who are single parents—all those things where we may declare the rights are equal. But there are countries in other parts of the world who give the answer that the constitution says everybody is equal when it really is not so. My point is, it is not enough to say that women's rights are equal with men's rights, although it is good to say it. It is worth while to have that declaration in this bill, but my point is, we must not stop there.

● (1610)

I said I would limit my remarks to the question of the equality of women, and I will narrow them still further. It will not surprise hon. members to know that I am concerned about inequalities in the field of pensions. First, I mention the Canada Pension Plan. The government, in this very session,

plans to bring in amendments to the Canada Pension Plan, amendments which it says are to extend to women rights which now apply to men. I point out that no matter how much one says that those pension provisions are open to either sex, the fact is that most men in their working years are in the Canada Pension Plan, but a large number of women are not. Until we recognize that a woman's contribution in the home is just as much a part of the production of goods and services as the work any person does in an office or factory, we will not establish equality. You can say all you want about the Canada Pension Plan being equally open to all, in the sense that any employee, male or female, contributes to and participates in the plan, but the fact is that by far the largest number of persons between the ages of 18 and 65 who are not in the Canada Pension Plan are women. I suggest, in practical terms, that is a case of gross inequality.

Let me draw a parallel. Membership of the House of Commons is equally open to men and women, but in the 110 years in which the Canadian House of Commons has existed, about 3,000 men have been elected to this place, but only 28 women. Sir, there is equality in the sense that men and women have equal rights to become members of this House, but in practice it does not work that way.

Mr. Woolliams: It sure does not.

Mr. Knowles (Winnipeg North Centre): Incidentally, the statistic I mentioned of 28 women having been elected to this place in 110 years ought to shame us. I heard a comment, but I did not catch it.

An hon. Member: Most of the women were elected fairly recently.

Mr. Knowles (Winnipeg North Centre): Yes. Actually, all 28 women have been elected in the last 50 years. In the previous 50 or 60 years none was elected. During the past 110 years we have had 30 elections; therefore, on the average we have not elected even one woman per election. The Canada Elections Act says that everybody 18 years old and over can run for parliament. The human rights bill says that we are all equal. Yet unless something else is done, that equality will not exist.

Women have equal rights with men for the top posts in the public service, private industry, the boards of directors of banks, and so on. But how many women ever make it there? It is a miracle if women ever make it in certain professions. On the other hand, other professions seem to be left primarily to women. I do not expect the Minister of Justice (Mr. Basford) to correct all this in this bill, but I urge that it is not enough just to declare equal rights. Other things must be done.

I wanted to deal specifically with pension matters and I began by talking about the Canada Pension Plan. That, ostensibly, is legislation applying equally to men and women. It is true that under the law a man who dies leaves certain rights to his surviving widow, and the woman contributor who dies leaves the same rights to her surviving husband. That is supposed to be equality. But that equality is gained on death. Unfortunately, a woman's chance for participating in the Canada Pension Plan during her lifetime is denied, is limited, not by law but by the structure of our society. Those who designed the Canada Pension Plan failed to make provision for housewives or homemaker spouses, as we sometimes call them, to obtain pension benefits equivalent to benefits obtainable outside the home. That is a clear denial of equal rights.

I move to another pension area and suggest that some of the things one could say about pensions in the public service and pensions in the private sector can also be said about the provisions we make for widows. I know that this is a little speech I often make in this House. Hon. members have heard me say this a good many times, and I do not apologize for it. You can only get some things done around this place by repeating what you have to say time and again.

The pension system in the public service and private industry is for the most part based on the idea that the husband is the contributor; therefore, when it is time to retire and the husband and wife are both alive, they get 100 per cent of the pension—the pension which has been earned from employment either in the public or private sector. So all is well: they have both contributed in their ways, made their lives together and when they retire and both are alive they get the full pension. If the wife dies first, the husband's pension carries on at 100 per cent. But if the husband dies first, in most cases the widow's pension carries on but only at 50 per cent. In a few cases 60 per cent, although in some cases it is less than 50 per cent or there is no widow's pension at all. You cannot contend with success that there is equality in pensions paid either in the public sector or the private sector when such situations exist. Sir, I am not so naive as to think that the Minister of Justice can with the passage of this bill do away with all those inequalities, although I can tell you that there are Canadians out there who have heard of this bill and are hoping it will pass and bring about greater equality as between men and women so that some inequalities which work to the detriment of women in the field of pensions will be corrected.

I move to another topic with which many are familiar, that of widows of public service personnel, in which I include personnel of the RCMP and the Canadian armed forces. If the marriage took place after the husband retired from employment in the public service or any of the other services I mentioned, there is no pension for the widow. As long as the marriage took place before retirement, she can get a pension. Sir, this bill says that there is to be no discrimination, no difference on the basis of marital status. I do not know how one can say that this is being practiced if pension status depends upon the date of marriage. I have already objected to the inequality which results from widows getting only 50 per cent pensions when they ought to get a 100 per cent pension. Unfair though the payment of a 50 per cent pension to widows may be, I point out that some widows get no pension at all because their marriage did not take place before the magic date required under the law.

I refer also to veterans' widows, to the case in which the pension to the widow is based upon the level of the veteran's

pension. The hon. member for Parkdale (Mr. Haidasz) a moment ago referred to the schedule to the bill. I notice that the Canadian Pension Commission is in the schedule to the bill and is listed as one of the entities which is supposed to determine these matters under this law. This law states that there is to be equality. However, a veteran who is on a disability pension in some cases leaves a widow with a pension and in some cases leaves a widow without a pension.

● (1620)

I am very familiar with how these pensions plans were built up; I know the pension theory that is involved in them. In this legislation we are trying to establish a new concept. It is not brand new; it has been pushed for decades. We have been making progress in this field but we still have not got to anything that can be called real equality in the pension field.

I seem to be listing all kinds of pensions where there are these inequalities. We at least have one where there is equality—old age security. A man or woman gets the pension because he or she meets the age requirement and the residence requirement. There is no question about marital status. This bill has something to say about discriminating against age, but it makes the exception that you do not have to pay a pension to everybody. It is perfectly proper to put down an age at which pensions are payable. Apart from that, there are gross differences and gross inequalities that affect women at the time when they would be pensionable.

I alluded a few moments ago to all the other differences that women have to face in employment, wage levels, services available to them if they have children they need to care for by themselves, discrimination in terms of housing accommodation, and so on. I mentioned earlier a few organizations which have done good work in this field. I should like to thank the Canadian Council on Social Development for a publication it put out recently giving statistics in all of these various areas affecting women. It is an interesting booklet. It probably came to all members as it came to me a few days ago. I recommend that hon. members study it. It is good for us to read this kind of material at a time when we are patting ourselves on the back and saying we are laying down in glowing language and in choice rhetoric that women are the equal of men in this country. Women may be the equal of men in constitutional terms, they may be equal before the law and before the courts; but in practical terms they are not. Why add to the difficulties that they face during their working years these inequalities which face them when retirement time comes?

There is one other piece of legislation I want to mention in this field the terms of which are probably contrary to one of the provisions in the bill now before us. I refer to the spouse's allowance. The minister says this is an equal piece of legislation, anybody, man or woman, can get that allowance between 60 or 65 provided he or she meets certain conditions. The conditions include two in the main. One is that you are married to and living with a spouse who is 65 or over. The other is that your means do not exceed a certain level. Therefore, it is equal. However, the fact is that women in that age bracket who are in need but who are spinsters or widows do not qualify. Yet clause 17 of Bill C-25 provides:

> The establishment of separate pension funds or plans for different groups of employees does not constitute the basis for a complaint under part III that an employer is engaging or has engaged in a discriminatory practice if the employees are not grouped in those funds or plans according to age, sex or marital status.

I suppose the "out" for the government on this is the reference to an employer. However, we are talking about pension plans. I submit that the spouse's allowance portion of the Old Age Security Act is directly contrary to something that is prohibited by this piece of government legislation in that persons are grouped according to age, sex or marital status. I submit that not only is this happening with the spouse's allowance contrary to the spirit and the letter of that law as I just read it, but that it is totally and grossly unfair.

That is, as I have indicated, the contribution I wanted to make to this debate. Like my friend, the hon. member for Greenwood, I do not like the provisions relating to the privacy commission set up by this bill. I think they are inadequate and can be dangerous. However, I do like the parliament of Canada enacting a law which declares:

> —every individual should have an equal opportunity with other individuals to make for himself or herself the life that he or she is able and wishes to have—

Even if that is clumsy construction in our language, I am glad that it is spelled out as "he or she". It goes on, as my friend read it a moment ago:

> —consistent with his or her duties and obligations as a member of society, without being hindered in or prevented from doing so by discriminatory practices based on race, national or ethnic origin, colour, religion, age, sex or marital status, or conviction for an offence for which a pardon has been granted or by discriminatory employment practices based on physical handicap—

I am glad parliament is passing this; I am glad we are having this debate, standing up and expressing with great pride that we in Canada have come a long way. We have come a long way since Agnes MacPhail first stood in this House of Commons, the first woman to come here, and said that she asked for no quarter. We still have a long way to go. I am glad that other bodies such as those I have named are giving statistics and pointing out what needs to be done in areas of employment, housing, wage levels, availability of legal services, and all the rest.

I am grateful to you, sir, for letting me make the point this afternoon that we are a long way from equality of men and women in terms of pension rights. If this bill does not correct those rights, I hope we can at least persuade the government that when we have a statute that says these things about equality we ought to put them in effect. That will mean substantial amendments to the Old Age Security Act, the Pension Act, the War Veterans Allowance Act, the Public Service Superannuation Act, the Royal Canadian Mounted Police Superannuation Act, the Canadian Armed Forces Superannuation Act, and quite a few others. I hope, Mr. Speaker, that parliament, having made this ringing declaration about equal rights, we will follow through with specific improvements. Let us make women equal, at least in pensions.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I was inspired by a number of statements in this debate which are worthy of the very best traditions of the House. I listened to some on the other side as well as some on this side. They show how fundamental, deep and very important this legislation is. As I listened to the proceedings in this chamber today I could not help but feel the importance of the matter raised by the hon. member for Fundy-Royal (Mr. Fairweather) in the question period, the violation of human rights in Uganda, another part of the world. I want to associate myself with the matters he raised and the reply of the Secretary of State for External Affairs (Mr. Jamieson). We hope that legislation like this will make our country a much better place, and I am proud to support it.

Having said that, I want to refer to two clauses in the bill that give me a great deal of concern. I hope that some hon. members on the other side, especially the hon. member for Winnipeg North Centre (Mr. Knowles), will give heed to what I have to say because I think I have an important point concerning this bill and other statutes. I refer to clauses 21 and 57. Let me quote from the statement made by the minister, as reported at page 2977 of *Hansard* of February 11, when he introduced this measure.

● (1630)

> Enforcement of these and other provisions will be carried out under the proposed legislation by a human rights commission. The commission will have wide powers, including the power to establish tribunals able to impose severe financial penalty.

He went on to say:

> As befits a body one of whose tasks will be to sit in judgment on government conduct, the human rights commission because, for example, of all the provisions which relate to the federal public sector as well as the private public sector, would, unlike those in some other jurisdictions, be independent of government and responsible only to parliament.

My concern is with regard to the proliferation of agencies and bodies responsible to parliament, and to the mechanism by which parliament exercises, or fails to exercise, jurisdiction. I hope that when the bill is referred to the committee hon. members will examine these clauses and, hopefully, modify some of them. Why should such a body report directly to parliament and not be responsible to the executive? The Advisory Committee on the Status of Women asked for it. The minister has told us that those who sit in judgment, as it were, on government conduct should report to parliament rather than to the executive. Mr. Speaker, we have heard this argument about independence a great many times. I maintain that the affairs of these bodies are conducted, not better but worse as a result of the absence of government supervision.

It is important that the executive arm of government assume responsibility not only for the matters raised by the Auditor General—and these are serious enough—but that it should answer for the policies carried out by independent agencies or bodies. The Auditor General tells us he cannot even supply a complete list of all the Crown corporations which exist. He appended a list to his report but he says he keeps finding new ones. I ask myself how many agencies report directly to parliament. The Auditor General does so himself, but he has a special committee of the House which considers his report; there is usually a standing reference giving the public accounts committee the responsibility of considering the report and calling the attention of the House and of the nation to the matters contained therein.

The Chief Electoral Officer is responsible only to parliament and the committee on privileges and elections usually assumes responsibility for dealing with the questions he raises. The Public Service Commission is similarly responsible only to parliament. The plight of the chairman of the Public Service Commission is something of a scandal. When the report of the Public Service Commission went before the joint committee of the Senate and House of Commons almost two years ago, the chairman said, in effect, "Please, we want an examination of what is going on under the Public Service Employment Act". Eventually the government did make an announcement, some two weeks ago, that it would name a body whose duty it would be to carry out the inquiry requested. But there is no automatic referral to a committee of the report of the Public Service Commission.

The Commissioner of Official Languages reports to parliament and his work, too, is important. But which minister assumes responsibility for giving direction to him in terms of policy? My hon. friend might say a minister should not do that. The fact is, though, that there is no mechanism by which the House is exercising supervision, and I submit that when no effective supervision is exercised something unhealthy finally takes place. I call attention to the situation presented by the bill before us. Not only is the human rights commission responsible directly to parliament, but so is the privacy commissioner to be established under clause 57. He is a member of the human rights commission, but he has been given the responsibility of making a direct report to parliament.

I ask this question: what is the mechanism by which a member of this House can deal with one of these independent bodies? I do not know how many are on the list. The librarian of parliament is on it, and I am sure hon. members on reflection could add others who report directly to this place. Someone is going to say that the first thing that happens is the presentation of an annual report. Look at clause 47 dealing with the annual report; it states:

> The commission shall, within five months after the 31st day of December in each year, transmit to the Minister of Justice a report of the activities of the commission under part II and this part for that year including references to and comments on any matter referred to in paragraph 22(1)(e) or (f) that it considers appropriate and the minister shall cause the report to be laid before parliament within fifteen days after receipt thereof or, if parliament is not then sitting, on any of the first fifteen days next thereafter that parliament is sitting.

Earlier today I heard the hon. member for Edmonton West (Mr. Lambert) ask the House leader to refer to a committee, as soon as possible, the government's estimates for expenditure in the coming fiscal year. The hon. member pointed out that there were only eight working weeks before the expiration of the time during which those estimates can be considered before the committee is required to report back. An annual report which need not be presented until the end of May will

always be more than a year in arrears when a committee comes to examine it, if it does at all.

Why should not this type of body report within 60 days of the end of the calendar year so that members might have an opportunity to examine it? On those rare occasions when those bodies appear before parliament, at least we would then have a current annual report before us. The suggestion that a body of this kind should have five months after the calendar year ended in which to present its report is an act of contempt of this place: it deliberately invites a situation in which members who try to interest themselves in what is taking place are unable to do so in any real sense.

I hope that when the bill goes to the committee it will be possible to reach general agreement to change clauses 43 and 60 which are parallel clauses. Five months is too long a period. There is no reason in the world why such an agency should not report by the end of February, thus giving parliament time to deal with any supplementary estimate if one were presented. Then the regular estimates would have some timeliness about them.

I should like to turn now to the question of appearance before committees. I know the standard answer of the ministry is, "Well, of course, you can always call people before a committee". But which committees, and how often? If an agency does something really wrong, the Auditor General will comment adversely and the matter will come before the public accounts committee. But how many of these independent agencies are called before the public accounts committee every year? I take my hat off to the current Auditor General who is looking hard at this area and especially at the operations of Crown corporations. He is doing a job which should have been done many years ago. What I am saying to hon. members is that we are adding two more bodies which will report directly to parliament and which will receive an absolute minimum by way of supervision.

What is the other mechanism by which such a body will come before parliament? It might appear at the time of the supplementary estimates which go before the miscellaneous estimates committee. Those of us who sat on that miscellaneous estimates committee know what a log-jam that is; everything is thrown at you. The steering committee meet and decide to call one or two, or perhaps a few more, of those particular agencies and groups who are especially interesting, but by no means do they call them all.

● (1640)

If there is no supplementary estimate, then the body does not even get called before that committee. Then we are dealing only with regular estimates, and the regular estimates are referred to any one of a number of committees of this House in the course of events. I suggest that the human rights commission might be called once every three or five years for half an hour before a standing committee of the House of Commons, and that is the degree of supervision that it is going to get. That is not good enough, Mr. Speaker.

[Mr. Francis.]

I want hon. members of the House to think about this problem: how does parliament exercise supervision over this new family of agencies that we seem to be creating every week, which report directly to parliament when, in effect, parliament has no mechanism by which it exercises supervision? I suggest that there are worse things than having a minister responsible for such an agency—much worse things. If the agency were responsible to a minister, the minister would have to answer for it in the question period. He could not get up and say, "Well, that is an independent body and I am not responsible for it".

If it were responsible to a minister, Mr. Speaker, when the minister appeared before the committee dealing with his estimates or his supplementary estimates in every case members would have an opportunity to raise questions. It seems to me that the theory of responsible government is that the executive is responsible to the legislature. What we are trying to do is evade the very concept of responsible government itself, all in the name of virtue, all in the name of saying that we are creating something which is above and beyond parliament, so far beyond that the hands of politicians cannot touch it.

If we name bodies which are to be independent, immediately someone says, "Just like the judges are". But the judges are in a different position. The courts have a tradition and an established profession within the country that looks at everything they do. There are means by which those who are named to the bench and who fail to perform have to answer directly or indirectly. The independence of the judiciary is not in any way affected. I am suggesting that there are no comparable mechanisms in respect of this new family of agencies that we are creating if this bill is passed in the form in which it is presented to this House.

To me, one of the sadder things about Crown corporations—I see some other members here, such as the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), who are concerned about Crown corporations—is that they learned how to do things, such as setting up old boys' clubs, lunches, and so on. They get their estimates through and everything goes smoothly if it is done the right way. I would not suggest that perhaps the human rights commission should set up an old girls' club. Perhaps it would be nice if they could, but the number of women at the higher, responsible levels of the public service is so few that this is just not possible.

What is more than likely to take place, Mr. Speaker, if parliament does not consider this matter in some detail, is that we will create an agency which will manage to stay out of trouble and will not offend the Auditor General. It will avoid supplementary estimates and it will submit nice reports. It will conduct a few prosecutions, but not that many, and it will become an ineffectual body, in fact, escaping the immediate attention of anybody in terms of answering for its own actions. Mr. Speaker, I hope that this will not be the case.

I want to conclude by saying that I do believe in this bill. I think it is a tremendous bill. The principles behind it are very deep and profond, and in no way do I want what I have said to be a reflection on what the bill attempts to do. I have listened

to other members who have spoken from all parts of the House, and I know how deeply they feel about the bill. I listened to the speech of the hon. member for Matane (Mr. De Bané), one of my colleagues, but with all due respect I could not agree with everything that he said. When I hear a member of a majority language group telling us what great rights the minorities have, I am always a little concerned, especially when the minorities come up to you and tell you that they do not have those rights.

I hope this bill will be passed and that the spirit that motivated it will be transformed into agencies which effectively can administer the bill. But I have major reservations about independent bodies which report directly to parliament, because I do not believe that parliament is equipped in the way in which it is structured and in the way the committee system functions, to give any supervision.

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I am pleased to participate in the debate this afternoon on a most vital subject, a bill that is, on the one hand, terribly important and, on the other hand, of such far-ranging scope and import that I fear it may be discussed in whispers and held up as something almost beyond criticism, when there are many penetrating questions to be asked about it on a whole variety of levels.

Whether one admires the Minister of Justice (Mr. Basford) or not, I do not think that the bill makes him the ombudsman, as someone recently said. In a way, I regret that the federal government has not moved to bring in that post and that individual, and I doubt whether the passage of this bill will in any way make unnecessary the role of ombudsman. I would hope that would still be considered and that that legislation will come before us very swiftly.

As the bill is spelled out, it is full of ringing words which have been mentioned by other speakers. For example, every individual should have an equal opportunity with other individuals to make for himself or herself the life that he or she is able and wishes to have, consistent with his or her duties and obligations as a member of society. One wonders whether that will end the closed shop, for example. This bill will have consequences which we cannot predict and interesting results will come from its passage. I, too, hope it will be passed and passed swiftly, but when some of its implications are fully understood I hope some of the people who are supporting the bill now will still support it.

The bill gives every individual equal opportunity without being hindered in or prevented from doing so by discriminatory practices based on race, national or ethnic origin, colour, religion, age, sex, marital status, or conviction for an offence in which a pardon has been granted, or by discriminatory employment practices. Brave words; noble words! The reference to "race" pleases me, because by passing this bill we should never again witness the experience of World War II when one particular racial group, or one part of a particular racial group, was singled out for one of the most serious discriminatory offences ever perpetrated by a government in this country. For Canadians of Japanese descent this bill, I trust, will be seen as some guarantee to them, as something of their Magna Carta that nothing of that nature would be permitted or would be possible again in this country.

Mainly, I should like to concentrate on the aspects of the bill that deals with women's rights, with equality based on sex. I have heard people, both men and women, say to me within the past year, when talking about job mobility and professional access, that a woman can go as far as she wants if she wants to badly enough. I do not believe that at all. Men say it with pride; women say it with bravado. But we have not arrived at that situation yet.

● (1650)

I feel that there is a long way to go still, and I trust that the passage of this legislation will help. However, it will not be enough, and I suspect that one of the dangers in passing the bill is that some of the people who are prepared to fight the battle may feel that the battle is won. There are still areas of discrimination possible, and they are so subtle that the bill does not cover them. Let me give an example from outside the country. I attended for a year the Institute of Education in London, England, and while I was there the child development program was headed by an extraordinary woman who was remarkable in many respects. Yet she could never become a full professor because that department was not raised to a chair at the university. Eventually she retired and the post was filled by a man. Immediately afterwards it was constituted a chair and he became a professor at the university. How could anyone prove discrimination there? Everybody would have the finest regard for the work that Miss Gardner did throughout her years in that post, and I am sure that the senate and the board of governors would say that the elevation had nothing to do with the sex of the person filling the post. They would say it had everything to do with the new importance being attached to education, particularly to that branch of education.

There are areas of male dominance in this country, which the bill will be hard put to attack. The hon. member for Winnipeg North Centre (Mr. Knowles) has referred to this chamber as being somewhat of a scandal in terms of the equality of women, if not of women's rights. Since the years when women were first permitted to vote and were first elected as members of parliament much progress has been made. But I wish he had mentioned some other great names, such as Ellen Fairclough, Mrs. Black, Tilly Rolston, and so on, and had broadened the catalogue a little by mentioning some of the people who established a role for women in the House in the pioneering days. Also, I should like to commend the Prime Minister (Mr. Trudeau) for having appointed more than one woman to his cabinet. This is a great step at the federal level. At the provincial level, W. A. C. Bennett, when he was premier of British Columbia, took the revolutionary step of appointing three women at once to his cabinet.

Again, there are subtle areas of discrimination that are possible here and I felt that the cause of women's rights was set back a long way. I am referring to the time a couple of years ago when the main commissioner of the minister of

education of British Columbia was publicly fired by the premier on a television show when the minister was in Montreal. When she returned she did not resign immediately. The premier would not have been able to do that to a man. It would have been unheard of and unacceptable. Some of these things have to be fought at the highest level. One of these days I hope we will find a woman serving as a cabinet minister who will be prepared to resign if she felt she had not been treated properly, instead of accepting the situation. I wish the Minister of State for Fitness and Amateur Sport (Mrs. Campagnolo) had not flirted with the idea of resignation in the last few days. It is part of the problem rather than part of the solution to one aspect of what can still be an area of discrimination.

As we go through the act, we find aspects of it that should be questioned. The bill goes beyond the traditional basis for discrimination, that is, colour, religion and national or ethnic origin, to include age. It is an interesting factor, not totally removed from the question of women's rights, and it is one of the great paradoxes in the country today because age will no longer be a factor in discrimination from birth onwards, but I gather it will still be a factor in the first nine months of life. Or does the passage of the bill mean that the practice of abortion will end in this country? Because there are racial groups in the country which count the age of the child at birth as being, the age of one. That is an interesting aspect of the hope that there will be no more discrimination on the grounds of age. It is a strange situation where life is preserved by statute.

Since we have abolished capital punishment it is difficult to take away a person's life without committing the crime of murder, yet it is possible to prevent some 50,000 Canadians from being born annually. That says something about this country, because I am sure that as soon as we have passed the bill many people will be applauding, clapping each other on the back and saying, "That is the kind of people we are who can pass this kind of legislation". But when we look at the statistics for abortion in this country, they also say something about the kind of society and the kind of people we are at present. There is a great paradox there which will be heightened rather than lessened by the passage of this statute.

I have been dealing with a private case which involves age and the way in which the government calculates it. I am awaiting the passage of this bill, following which I will raise it again with some of the officials of the Department of National Defence who will know what I am talking about. It involves the matter of a pension. There is certainly discrimination there because of what seems to me to have been an error made some years ago. It is one of the cases where the services of an ombudsman would be required. However, the passage of this bill might help to nudge the department into action or make possible the introduction of a private member's bill on this issue.

I am very interested in the question of equal pay for work of equal value. Here is a large area where women should benefit from this bill, although again we will have to know much more about the definition of "equal value". The principle would require employees to evaluate all jobs and determine pay rates on the basis of skill, effort, responsibility and working conditions of each job. One suspects that there may well be too many loopholes there.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Grenville-Carleton (Mr. Baker)—Government Administration—Request for committee study of all government controlled corporations; the hon. member for Windsor West (Mr. Gray)—Trade—Guidelines to companies with regard to international boycotts—Request for explanation; the hon. member for High Park-Humber Valley (Mr. Jelinek)—Industry—Date of announcement of proposals to aid small businesses.

It being five o'clock, the House will now proceed to the consideration of private member's business as listed on today's order paper, namely, notices of motions (papers), private bills and public bills.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

The Acting Speaker (Mr. Turner): Notice of motion No. 1, in the name of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall).

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): The motion stands at the request of the government. Notice of motion No. 11, in the name of the hon. member for Humber-St. George's-St. Barbe.

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): The motion stands at the request of the government. Notice of motion No. 14, in the name of the hon. member for Humber-St. George's-St. Barbe.

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): The motion stands at the request of the government.

REQUEST FOR REPORTS OR REVIEWS RESPECTING NATIONAL FOOD POLICY

Mr. Lorne Nystrom (York-Melville) moved:

That an order of the House do issue for copies of any reports or reviews with respect to a national food policy prepared by or under the direction of the group known as the DMs Ten.

He said: Mr. Speaker, on November 24 I put down a notice of motion for the production of papers concerning the group known as DMs Ten and the reports or reviews which have been done for the cabinet. I did so for a number of reasons. First, I believe in openness in government, and when a group such as the DMs Ten prepares a paper with background on a possible food policy for this country I think that should be made available to the Canadian people so they can be part of the discussion of our food policy. I do not need to remind the House that this is national food week in Canada; the interest shown in it by people from coast to coast is evidence of the fact that they would like to participate in a national food policy.

● (1700)

Second, various parts of that document have been leaked to the press over the past seven or eight months, and without seeing the complete document there is a possibility of distortion. Unfortunately, this also creates in a community the pitting of producers against consumers and the building up of bogey men on both sides of the argument. When we draft a national food policy, we know that there will have to be some trade-offs between producers and consumers. These leaks have also had the effect of spreading certain rumours and creating hard feelings in the farm and consumer communities. I also have very strong suspicions that the discussion of a national food policy has caused sensitive feelings within the cabinet itself. I have the impression that there is an internal power struggle going on between the Minister of Agriculture (Mr. Whelan), on one side, and other ministers such as the Minister of Consumer and Corporate Affairs (Mr. Abbott), on the other. I am asking the government to make public the DMs Ten report and all the background papers and study papers the DMs Ten looked at and made available to the cabinet, because I believe there should be openness. I believe the Canadian people should not be faced with a fait accompli and all of a sudden have a policy dumped upon them without their input.

I have before me a document which is alleged to be a copy of the DMs Ten report which was made to the cabinet on June 4, 1976. I want to spend what little time I have today referring to parts of that document which I have reason to believe is the report I am seeking in the House today. It is called "A Conceptual Framework for Food Policy in the Post-Controls Period". The object of the document is as follows:

This paper is intended to place before Ministers some of the elements at issue in the food sector and to obtain guidance as to the approach to be followed in the further elaboration of national food policy for the post-controls period.

The introduction to the report reads in part as follows:

The first section, "Basic Food Policy Decisions", presents major questions (underlined for easy reference) on which officials feel they require guidance from Ministers prior to proceeding to draft, if they agree, a more definitive policy statement. The second section, "Conclusions", describes (in the interest of pointing out some practical results of the discussion) an outline of the elements of one possible food policy for Canadians in the post-controls period.

They go on to say:

Even though it would appear that the sufficiency of nutritional food supplies or the income-price relationship are not major issues facing consumers, one of the key requirements of a national food policy is maintenance of consumer confidence in the fairness and efficiency of the marketing system and of government policy in this area. In the same breath, the confidence of primary producers in a stable return on their large long-term investments in the relatively open agriculture and fishing industry must also be maintained.

After that they go on to outline some basic food policy decisions. I do not have time to cover those in detail, but they refer to the scope of a national food policy and what areas it should cover. They refer to the question of the role of market forces in a national food policy. They refer to trade and aid programs as they affect food. They refer to primary producers, the fishermen and farmers of our country. They refer to processors, retailers and distributors in the food industry. They refer to consumer concerns and nutrition. When they talk about nutrition, they make the comment that Canada really provides very little to promote nutrition, and what we do provide as a nation is done in a very indirect way. They talk about the problems of federal-provincial relationships and they talk about the public information which should be part of a national food policy.

They go on to outline a possible food policy for Canada, and I gather this is what is being considered by cabinet ministers at this moment. I will read various parts of this document to the House. They begin by saying the following:

Canada's supplies of essential food products are adequate for the foreseeable future and there are resources to spare in some important areas. It would appear consumers need not worry unduly about the sufficiency of nutritional supplies. But, taking into account the world situation and the fact that Canadian agriculture and fisheries are open to the vagaries of climate, disease, etc . . . . there is at once the opportunity to earn foreign currency (mostly through grains and fish), and the danger of excess pressure on domestic supplies and prices from abroad.

The policy of the federal government is, therefore, aimed at exploiting production strengths and moving into other effective areas of production in a consistent manner to ensure the adequacy of nutritional food supplies at competitive prices for the domestic market and for export.

The concentration of government efforts on those limited key areas where the consistent and balanced protection of the interests of all participants in the food marketing system is required and will have the desired result of:

(i) shoring up consumer confidence in the fairness and efficiency of the marketing system; and

(ii) restoring producer confidence in a stable return on their large long-term investment in the relatively open agricultural and fishing industries.

They then go on to outline various concerns with regard to a national food policy and they talk first of all about consumer concerns. This is where I have some questions, and I think many Canadians will have some as well. They say, first of all:

1. The federal government recognizes that consumer interests must be given increased weight until there is a balance with the interests of producers in food policy formation and programs.

2. The federal government rejects:

(a) statutory import quotas and tariffs providing relatively high or permanent protection (and, therefore, artificially high consumer prices) for some food products;

(b) permanent or long-term consumer subsidies or two-price systems or export controls which can be expensive and distort the market, although short-term temporary subsidies might be effective for some basic commodities in specified situations.

3. The federal government believes:

(a) general income assistance programs already in place (U.I.C., pensions, indexing) are sufficient to provide average Canadians with the opportunity to eat in a nutritionally satisfactory manner;

(b) the marginal or low-income consumer in Canada faces special income problems which will be solved by special means developed in the context of a social security review.

They go on to talk about the implications for action on these various consumer concerns, and here is where we get into some interesting debate. First of all:

Make administered pricing systems for dairy, eggs, poultry more compatible with consumer interests;

consumer representation on all national food boards or regulatory agencies—

When we start talking about issues like that, surely to goodness the government could at least allow a public debate before making decisions affecting the livelihood of many Canadians which would create a lot of acrimony in the community. The least we should ask for is a national debate. This report goes on to talk about the elimination of conflict of interest in the management of boards and agencies in these words:

—possible reorganization of departmental responsibilities.

—Over a reasonable period of time, to review the import control list and all specific rates of duty on food products with a view to their eventual elimination;

—remove import ban on margarine;

—possible automatic destroy clause for Export and Import Permits Act with respect to need for individual import permits;

—eliminate two-price system for wheat—

It would be of considerable interest not just to producers but also to consumers if we were to eliminate the two-price system for wheat in this country. The other thing which I am sure would be shocking for consumers is the elimination of the skim milk subsidy and the comment about Canadians having adequate income assistance programs such as unemployment insurance, etc. They say this is in hand and we do not need any more revision of those areas. Then they talk about producer concerns and how government funds for investment in research and development of new and better varieties of product maintaining protein levels adaptable to Canada are needed. They go on to say that the federal government will work with the provinces in programs to preserve and promote a national market and that primary food production and its upgrading have been, and are, instruments of regional development.

● (1710)

Some of the implications of the producer concerns are: the total research and development outlay in Canada is $100 million, of which $70 million is salaries and wages; national health and quality control programs are necessary; a national transport policy for foods for domestic use and export will be needed; we will also need an appropriate commercial policy, national income assurance programs, etc. Further on the memo refers to land use and the need to accelerate the national land use policy of this country. They refer to the need for amendments to the foreign investment review agency to accomplish those aims, and they say we need restrictions on foreign labour to encourage progress and mechanization in the agricultural field. Continuing with various producer concerns, the report talks about the need for a comprehensive production and marketing information system and the need for farm income stability. They seem to reject marketing boards as a form of income stability; the report seems to be geared toward lessening the influence of marketing boards.

They say that the general solution to income instability for average crop producers will involve crop insurance, income assurance plans of the producer-government contributory type, and income averaging annuities under the Income Tax Act. They make an interesting comment about the dairy industry, saying it is a special problem which in view of the $600 million treasury impact for the fiscal year 1976-77 has to be resolved in the context of the post-controls era, and that there should be a review of long-term dairy policy and possible federal-provincial financing of an independent inquiry into the industry.

On eggs and poultry, they say that a review of the acceptability of supply management—administered pricing under the auspices of a national farm products marketing act is required. There are a few other things they refer to which probably are not quite as important. Under the heading "Marketing", the report reads:

The federal government believes marketing boards are not synonymous with supply management or administered pricing and should not be used as instruments to stabilize or raise incomes directly. Some marketing boards have a positive impact on the food system, but their activities are in direct conflict with supply management mechanisms.

The federal government will work with the provinces to continue to minimize impediments to interprovincial flows of food products.

The federal government will work with foreign governments to reduce the international barriers to food trade.

They then suggest a whole series of implications in the area of export and import permits and the trade area. They suggest the need for reviewing, clarifying and possibly expanding the role of the National Farm Products Marketing Agencies Act. I do not know what is happening about that in cabinet, but there was an interesting rumour about two weeks ago in one of the farm publications that the National Farm Products Marketing Agencies Act would be transferred to the jurisdiction of the Minister of Consumer and Corporate Affairs. If that is the case, it is no wonder the Minister of Agriculture is becoming more and more grumpy when responding to questions in the House. There seems to be a conflict of opinion on marketing boards. The Minister of Agriculture is a staunch defender of them, but the minister in charge of the Canadian Wheat Board has taken feed grains away from the authority of the Wheat Board, a move which concerns very many prairie farmers. It is good for the grain exchanges and for Cargill

Grain and all the corporations. Meanwhile, the Minister of Agriculture is saying that we need more orderly marketing. I wonder what the government's policy is.

I notice that the government leader in the Senate, Senator Ray Perrault, said during the Christmas holidays that he thought transport was too big a job for one minister and suggested it be divided. I suggest the Prime Minister (Mr. Trudeau) should begin the process by putting the Wheat Board under the authority of the Minister of Agriculture, where it belongs. I should like some clarification of the government's intentions in regard to marketing.

The memo goes on to discuss another very important aspect in part IV, under the heading "Processing, Distribution, Retailing Concerns". It says that some important market concentration and market power problems exist in Canada. That does not come as a great surprise. They talk about the implications of dealing with other problems concerning processing, distribution and retailing in the context of stage two of the Competition Act when it comes before parliament. The report says that the programs of incentives to enhance productivity and upgrading have been reviewed and that the federal government has directed that these programs be applied, on a priority basis, to the processing, distribution and retailing sector. They refer to the possibility of more incentive grants and more depreciation allowances as they affect retailing, processing and distribution in this country.

It is just about a year since the Food Prices Review Board reported that the retailing of food in this country is done by the large corporations which are very concentrated, and that as a result of lack of competition consumers pay more than they should. The government seems to imply they need more incentive grants and depreciation allowances in order to have a good food policy. I think we need an explanation of that, Mr. Speaker.

The memo says that the possibility of institutional change has been considered, but that the government does not believe that the creation of new institutions to deal with a food policy has a high priority. The formulation of policy and co-ordination of programs can be significantly improved without going the route of new institutions. It is said that the government has made certain decisions in this regard. Incidentally, this matter had led to conflicts within the cabinet, to some of those late-night quarrels one hears about between the Minister of Agriculture and other ministers.

● (1720)

I hope the government will make public the papers for which I am asking. I suggest that the Canadian people have the right to know. Various newspapers and members of the public have witnessed aspects of the DMs Ten—

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

Some hon. Members: Continue.

Some hon. Members: No.

[*Translation*]

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, in all our discussions on a food policy, we should keep in mind that no two individuals, excluding groups and associations of any kind, think exactly the same way on this matter. As a matter of fact, it seems to me that we face a situation where we recognize some kind of failure in agriculture. The subject of a food policy for Canada comes up again and again. More than this, it is often brought up by people who do not know or prefer to ignore that the bases for such a policy have been established for some time and that they already operate effectively.

It might be worthwhile to recall that the idea of such a policy was brought forward eight years ago, namely in 1969. The prime objective of the Department of Agriculture which has been approved by cabinet, was and still remains to make agriculture in Canada an economically effective and independent industry. After further inquiries and several meetings and discussions, two special workshops were established in 1971. They had to determine the best ways to achieve these objectives. They made an excellent job and proposed the concept of a food system based on the market, and requiring therefore a good co-ordination between some 300,000 Canadian farmers and the various links of the food chain.

To meet the most essential food needs of Canadians, the farmer must not only be an efficient producer, but also be on very good terms with every level of his products marketing system—wholesalers, carriers, distributors retailers and, of course, consumers. Therefore this concept was shaped into a policy which is now working very well. Incidentally, there were four objectives reiterated in the Speech from the Throne of February 27, 1964.

[*English*]

Let me remind the House of these objectives. They were, first, to assure Canadians of high quality food at reasonable prices; second, to assure farmers a decent living; third, to provide food aid to countries where people cannot adequately feed themselves; and fourth, to produce products in which there would be a competitive advantage for domestic products for commercial export. In general terms, those objectives have been met, are being met and will continue to be met. They provide the broad basis for a food policy which makes Canada a world leader in this area.

In some countries farmers are making a hand-to-mouth living and food is cheap. In others, the farmers are on easy street but for the consumer the price of food is out of sight. A policy must maintain a balance between the primary producer and the consumer. That is what our policy is doing, and in response to changing times and patterns of consumerism it is changing and getting better all the time.

Look at the objectives one by one. The first, to assure consumers of a continuing supply of high quality food at reasonable prices, is one which, however successfully it may be realized, will constantly be taken for granted or overlooked by those who are quick to criticize. It is only taken for granted because it is working so well. When was the last time food was

rationed in Canada? Not since World War II. If the average buyer found that the local supermarket was out of milk, meat, butter, vegetables, fruit or any of the 101 things we all take for granted, there might be some reason to get excited about a so-called new food policy. But because wide choice, high quality and stable prices are the norm, we all take food for granted. That would not be the case if, as happens in many countries, price, availability and quality were to fluctuate, or deteriorate as a result of a poorly organized agricultural industry. Canada's agricultural industry is probably the most efficient in the world. We do not have to import anything to keep ourselves well fed. We import because we want variety in our diets or because it makes economic sense, not because we need to import.

In the first objective high quality is mentioned. Mr. Speaker, Canadian food is the most wholesome anywhere, and our health and food inspection regulations help to keep it that way. The Department of Agriculture inspects and grades just about all the food we eat. The buyer knows, on buying it, not only that it is good to eat but how high is the quality of the food his or her food dollar is buying.

The first objective also makes certain that the food dollar is spread as far as it can go. Reasonable cost does not mean "cheap"; it means that food costs are maintained at reasonably stable levels in relation to producer-processor input and take-home pay. The average Canadian spends about one-fifth of his income on food, and the Americans—who are a little lower on that than we are—do not provide the same level of social assistance as we do in Canada. About 30 years ago a pound of butter cost just over an hour's wage—that is based on the minimum wage. Today, an hour's wage at the same level will buy you over two pounds; yet people complain that butter is being priced into the luxury class.

There is a popular notion that cheap food is a right. But why should one sector of society feed on the misery of another? If farmers are not given incentives to stay in business, to produce efficiently and at least earn a relevant return on their investment, there is no reason for them to consider staying in that line. If this country loses its farmers and relies on imports, the quality, abundance and, most importantly, price of food will change from one day to the next. We in this country will not be able to control those aspects; we will be too busy negotiating for sufficient quantities to feed our growing population.

That is where the second objective of the policy comes in. It assures the farmer of a decent living. But that does not mean that farmers benefit from an over-all security blanket. The assurance is there in the form of incentives and development programs for efficient farmers, but there is not too much for the farmer who will not keep up with the times. I do not see why farmers who are good at their job, who carry the multiple risks of their profession, who give the country its "staff of life", should be expected to take a loss and just survive. The rest of society expects a comfortable standard of living, modern conveniences, reasonable hours of work, educational and career opportunities for their children and the occasional holiday. Why should farmers have to take any less? The commitment in terms of both money and time is a great deal larger in farming than for the average white collar or blue collar worker. Farmers should get the same return for their labour and investment as those in any other sector of the Canadian economy. If they find that they are at a dead end they are not going to encourage their children to follow their career path and they may very well quit themselves.

• (1730)

Farming is essential to this country. The food chain starts with the farmer. Food production has to be made attractive and kept stable if there are going to be farmers left on the land in Canada.

The third aim of the food policy is being achieved so successfully that, once again, not too many people bother to think about it. It is to provide food aid to the world's hungry population who cannot feed themselves. Canadians on a per capita basis are the biggest food donors in the world. We are the largest donor to the United Nations World Food Program in absolute terms. Our annual contributions for food aid are now up to $230 million.

Getting food accepted for food aid programs is not nearly as easy as it sounds. We simply cannot use food aid as a safety valve that we can turn on and off to deal with whatever surplus situation comes up. It has to be a product which can be used in recipient countries, which is acceptable given the dietary and religious restrictions prevalent in a country, and which is digestable given the diet patterns followed by the people in that country. That is not all.

Any food aid program has to take into consideration the economic stability of the food producers of a recipient region. There is no point in providing large quantities of a product which, in a short time, will be coming up for harvest from the country's own farmers. Whatever food aid we give must not interfere with the existing balance of their economy.

Lastly, the policy aims for an agricultural industry that can export food to earn foreign currency. Income from exports is what keeps the economy healthy. In 1975 agricultural exports amounted to approximately $2.9 billion.

All the four objectives are being achieved, but to keep the agricultural food relationship a happy and a productive one it is only reasonable to look to the start of the food chain to see what can be done to make sure that the supply does not dry up.

Farmers look for income stabilization, they look for some sort of power to take on the corporate giants which can effectively hold their industry to ransom. With the introduction of marketing boards, backed by both federal and provincial governments, they have, in many cases, the edge they need. Government programs through the Agricultural Stabilization Board have helped maintain the farm price for many products. Recent legislative changes have expanded the number of protected products, and increased the flexibility of support to farmers.

Agriculture Canada backs the Canadian farmer not only with hard cash, but with a variety of programs designed to give him the resilience and ability to stay in business.

Such things as production research, inspection and grading of commodities, market information and protection of animal health go to strengthen the farmer's competitive position. Crop insurance, compensation programs for lost livestock, and development of hardy, disease resistant strains help protect the farmer against natural hazards.

The Canadian Dairy Commission, the National Farm Products Marketing Council, the Agricultural Stabilization Board, the storage assistance program are examples of some of the tools the farmer has working for him when it comes to fighting the effects of short-term market distortions. Agricultural markets are constantly being explored, extended, and often improved by the work of such government sponsored agencies as the Canadian Grain Commission and the Canadian Livestock Feed Board.

All in all, this government is proud of the food policy platform it has laid down, and made to work over the years. Unfortunately, as I have said before, the reason that it has been ignored is simply because it has worked so well. That is not to say that the policy is conclusive. Exactly the reverse is the case. We have a base on which we can build, and this is happening all the time. Any policy, to remain current and relevant, must keep up with changing times. Our present policy is no different. To make it relevant with the context of today, and keep it that way for tomorrow, it must be constantly reviewed, renovated, adapted and expanded.

[*Translation*]

Mr. Speaker, I suppose that in doing so one should take criticism into consideration. Besides, coming from those who know the facts and the problems, criticisms are often a positive element. But from those who understand nothing of the problem, who only want to make headlines and who are constantly on the look-out for leading causes, that is another matter.

I am always surprised to see how often media give special recognition to subjects related to food policy. But again, I must recall that headlines seldom reflect reality. It is not unusual to see big red headlines which fade out or are shelved for good when it comes to facts. In this day and age, with all that gibberish about food policy, some think that the situation is definitively dreadful. It is most unfortunate since changing for the sake of it might bring us to an even worse situation.

The principles of the present policy are entirely logical and quite useful for all Canadians. However, they are constantly questioned. It is absolutely necessary to update it constantly and remove the weakest points as soon as they are detected. The consumer must be assured of the best value possible for each dollar allotted for food. The farmer must increase his efficiency through marketing procedures, processing costs established in relation to the cost of the finished product and he must be very closely supervised. Agriculture, Mr. Speaker, is closely connected with each of the numerous links in the food chain. There is plenty of room for various programs meant to improve the process.

[*English*]

Mr. Nystrom: Mr. Speaker, I rise on a point of order to ask whether the parliamentary secretary will answer a question?

Mr. Pelletier: Yes, Mr. Speaker.

Mr. Nystrom: I simply ask the parliamentary secretary whether he supports or does not support the motion that is before the House today? He spoke at length about a food policy. Unless I missed it, I still do not know whether he supports the motion before the House.

Mr. Pelletier: Mr. Speaker, I do not think the hon. member listened to my speech. We have a food policy which is working quite well. I said about the middle of my speech, and again toward the end, that that does not mean we cannot improve the food policy that we have in Canada. We are making, at least in the Department of Agriculture, every effort to improve that policy.

Mr. Nystrom: With respect, Mr. Speaker, my motion does not ask for a food policy. My motion asks:

> That an Order of the House do issue for copies of any reports or reviews with respect to a national food policy prepared by or under the direction of the group known as the DMs Ten.

I am asking that the government make public the document prepared by the DMs Ten group. That is all I ask. I want to know whether the parliamentary secretary is for or against the motion. That is all I am asking.

• (1740)

Mr. MacFarlane: What is this? An inquest?

Mr. Nystrom: Let it be down on the record.

An hon. Member: No!

Mr. Nystrom: On a point of order, Mr. Speaker, we came here today with a motion asking that the government make public certain documents, and the parliamentary secretary is refusing to answer a question pertaining to the motion itself. In the 20 minutes he has taken up in the House he refused to refer for even one minute to the topic referred to in the motion, and I simply ask the parliamentary secretary whether he is for or against the motion.

Mr. Goodale: The hon. member for Yorkton-Melville (Mr. Nystrom) asked the Parliamentary Secretary to the Minister of Agriculture (Mr. Pelletier) whether he would permit a question. The parliamentary secretary permitted a question and replied to the hon. member.

An hon. Member: He did not answer it.

Mr. Goodale: The hon. member for Yorkton-Melville obviously did not appreciate the answer given to him.

An hon. Member: What answer?

Mr. Goodale: The point is that though the hon. member may disagree with the answer given him by the parliamentary

secretary, to voice his disagreement in the form of a point of order is by no means in order and I think the House would be better served if we went on to hear the speech of the hon. member for Hastings.

The Acting Speaker (Mr. Turner): The hon. Parliamentary Secretary to the Minister of Agriculture (Mr. Pelletier) has made his speech and he is not required by the rules to produce the paper.

Some hon. Members: Hear, hear!

Mr. J. R. Ellis (Hastings): Mr. Speaker, when that noisy bunch opposite has quietened down I will do exactly what the hon. member for Yorkton-Melville (Mr. Nystrom) did.

Mr. MacFarlane: Sit down?

Some hon. Members: Oh, oh!

Mr. Ellis: As far as the hon. member for Hamilton Mountain (Mr. MacFarlane) is concerned, I am taller sitting down than he is standing up.

An hon. Member: Not wider, though!

Mr. Ellis: The parliamentary secretary obviously did not answer the question directed to him. He made a dry statement seeking to justify government policy, and he really did not do a good job of that. He talked about all kinds of things but he did not answer the question. The hon. member for Yorkton-Melville obviously has in his possession some very interesting documents. I would not be at all surprised if there has not been a plain brown envelope given to my hon. friend from Central Nova—

An hon. Member: He will get one now.

Mr. Ellis: I have not received a copy of this document but it appears to be very interesting and I should like to have a look at it. It seems to be critical of government policy in certain areas. It is refreshing to see a document put together by the bureaucracy at the top level which is critical of government policy.

I do not want to get too closely allied with the hon. member who speaks for the New Democratic Party on my left. He took a typical socialist stand on certain issues which I would find difficulty in supporting. Nonetheless, I can say that my hon. friend from Peace River has been trying for years to get a freedom of information bill through the House, and this is just the kind of information he has been trying to get. Obviously, it is not too hard to get. The hon. member for Yorkton-Melville got a copy in this case, and I think all of us should have a chance to read it.

It seems to me that debate during the many supply days, better known as opposition days, would be even more valuable if it could be spent discussing such documents as this. The government might learn something from the views of all the members in that regard. If this document has in fact been prepared by a group of deputy ministers, it is time the government had the benefit of the thinking of some practical members of parliament on the subject because not infrequently they have some good ideas as to what policy should contain. I am not at all sure that those ten deputy ministers have all the answers. In fact I would go further and say I am quite sure they don't.

Mr. Rodriguez: Read that document and you will know for sure.

Mr. Ellis: I should like to read that document. The Parliamentary Secretary to the Minister of Agriculture (Mr. Pelletier) talked about marketing pyramids and competitive objectives and things like that. He did not get around to talking about the fact that there was no policy until last Friday on the import of Taiwanese tomatoes that pretty near put out of business all the tomato farmers in Prince Edward County this year; there are warehouses full of canned tomatoes in Prince Edward County and without some tariff, as was finally imposed, they will stay full. This is the kind of protection which lost us the Ontario strawberry processing industry, and which is presently losing us the soft drink industry in Ontario.

The hon. member spoke about dairy policy. My hon. friend from the Cornwall area—I have forgotten the name of his riding—knows as well as I do that there are cheese factories in his riding which could produce far more cheese than they do at present if there were not at least 50 million pounds of cheese coming into Canada, a country that produces the best and finest cheese in the whole world. It is being brought in at cut-rate prices supported by foreign governments. My hon. friend knows that with few exceptions these cheeses could be produced in Canada. I think it would be worth while to have an opportunity to see what these deputy ministers have put in that document to determine whether there has been a change in policy, to decide whether the trade-off which took place, I am sure, between the Minister of Agriculture (Mr. Whelan) and the Minister of Industry, Trade and Commerce (Mr. Chrétien), which allowed so much cheese to come into Canada ought not to be looked at in some detail.

While the parliamentary secretary went to some length to outline the aims of the food policy, many of which I am sure my hon. friends would agree with, nonetheless he did not answer the question. I am going to sit down—

Mr. Pelletier: Answer what question? He already has the document.

Mr. Ellis: The motion asks that an order of the House do issue for copies of any reports or reviews with respect to a national food policy prepared by or under the direction of the group known as the DMs Ten. If the parliamentary secretary would support that motion and there were a House order that those documents be brought into the House, I am sure we would get the kind of debate I have been speaking about and there would be some real interest, not only from members of the House, whose numbers, granted, at this time of the afternoon are rather slim, but also from the press gallery which similarly is rather slim in number.

• (1750)

Mr. Côté: Your party is pretty slim at the moment.

Mr. Ellis: How you can you call me slim? Well put together, but not slim! I contend that the parliamentary secretary did not answer the question and he should have the courage of his convictions, if the Department of Agriculture has nothing to bury or hide, to support the motion unequivocally so that these documents are brought into the House. I think that this would be good for the House of Commons.

The Acting Speaker (Mr. Turner): The parliamentary secretary is rising on a question of privilege.

[*Translation*]

Mr. Pelletier: Mr. Speaker, I rise on a question of privilege.

In relation to the question raised by the hon. member, the government's policy has always been that when a document is prepared, it is studied in depth and submitted to cabinet, and when cabinet takes a decision, it becomes government policy and is then introduced in this House.

I find it totally irrational that the government be asked all the time to table documents while it is making a careful study of the situation. Hon. members have no need to ask for documents, they have their own sources over there. They are always leaking documents here and there, from most departments, so they have no reason for complaint. This includes the hon. member that is now yelling over there. That kind of interjection has always been his own policy. From time to time he makes yelling appearances before the Committee on Agriculture, but otherwise he does not contribute much to the proceedings.

As regards the eventual policy to be proposed to Parliament, the government will bring documents to support it. For the time being, the motion brought forward by the hon. member has no relevancy whatever to this speech.

[*English*]

The Acting Speaker (Mr. Turner): Order. It seems to me that this is a question for the House to decide, and in due course the House will make a decision.

Mr. Ellis: On the same question of privilege, Mr. Speaker, if it is indeed a question of privilege, I merely want to say that the Parliamentary Secretary to the Minister of Agriculture in those few short sentences said more about this question than he did in his whole speech. He was explained a few matters. If the government does not want to give us the documents, that is fine, but let it say so instead of giving us 20 minutes of drivel about policies, and so on, and not giving us an answer at all.

[*Translation*]

Mr. Claude G. Lajoie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I welcome this opportunity to contribute a few words to this debate as Parliamentary Secretary to the Minister of Consumer and Corporate Affairs.

National Food Policy

[*English*]

Consumers in Canada are becoming more and more concerned about food. In recent years they have seen people in countries overseas suffering from food shortages or famines. Canada is one of the world's main agricultural exporting nations. They wonder how she can help to reduce these shortages. Some even wonder if Canada itself might be facing food shortages some time in the future. They realize, of course, that there is little or no chance of that happening today.

The consumer has had to accept higher prices for food in recent years. Indeed it is fair to say that consumer interest in a national food policy is due directly to the food price explosion of 1972 and 1973. Between 1971 and 1975 food prices rose by about 60 per cent. By contrast, prices of all goods and services as measured by the consumer price index increased less than 40 per cent. The higher food prices are a burden to low income Canadians. Many Canadians cannot afford to eat well, even though they may be spending 40 per cent of their income on food. It is true that food prices did not increase through 1976. An increase of 1.2 per cent in January, 1977, coming after a small increase in December, 1976, seems to show that the upward trend may be back with us again.

Consumers are also concerned with what they are eating. They worry about the long-term effects of the many chemicals that are added to processed foods. They see children and teenagers eating junk foods. They know that many Canadians are poorly fed. Others—as one sees all too often—are eating too much. A shortage of essential foods and an excess of others can cause health problems or even death for the individuals concerned. This adds to the cost of our health programs.

Finally, consumers are questioning some of the marketing practices and power of the large food chains. As is well known, a few firms dominate the food retailing system. Consumers question why prices seem to vary from store to store for no obvious reason. They wonder how much all the promotions, "free" offers and advertising add to food costs. They feel that the food they buy lacks quality. In short, consumers are losing confidence in the food system. This explains why they are so interested in having a national food policy in Canada.

A food policy is of vital concern for Canada. We need a national food policy no less than we need a national energy or transportation or defence policy. Such a policy must be an integrated one. It must cover all parts of the food system. It should reflect the very real concerns of consumers. It should also respond to matters of concern to agriculture and farmers. It should be concerned with the industries which provide farmers with their fertilizers, chemicals and machinery. It should relate to the industries which process and distribute to consumers food products after they have left the farm.

In our food policy we must be fair to consumers. Some people think that a few of the farm programs we now have may result in higher costs for consumers. These are programs which stabilize and support farm prices and incomes. Marketing boards are a good example. It is important, however, to distinguish between different types of marketing boards. Some of them negotiate contracts on behalf of producers, others

assemble and offer products for sale. There is no quarrel here. There are other boards which have the power to set prices. They may also control the quantity which is produced. They may even control imports as well. It is these boards that people are worried about. Perhaps we should consider if there are other ways of achieving stability in agriculture that avoid giving monopoly powers to producer groups.

Of course any national food policy which is developed must be based on a strong and healthy agriculture. No one wishes to see the demise of Canadian agriculture. No one wants to see—

The Acting Speaker (Mr. Turner): Order. The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADIAN HUMAN RIGHTS ACT

MEASURE TO PROTECT PRIVACY OF INDIVIDUALS

The House resumed consideration of the motion of Mr. Basford that Bill C-25, to extend the present laws in Canada that proscribe discrimination and that protect the privacy of individuals, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Howard Johnston (Okanagan-Kootenay): Mr.Speaker, when I commenced my remarks this afternoon I mentioned that people sometimes say that we have advanced to the point where a woman can reach any objective that she sets for herself if she wants to get there badly enough. I do not think that is the case. In fact I am inclined to believe, if I may paraphrase the remarks of a former mayor of this city, that a woman has to work twice as hard to get half as far.

I find myself interested in the principle of equal pay for work of equal value. Probably one of the most important phrases in the entire bill is "work of equal value," and I hope we will see the day when the underpaid feminine secretary who is running the whole show, turning any profits that may be turned, and holding the entire thing together, at a salary a fraction of the person's who is the titular head of the organization, will receive a remuneration equivalent to the value of the work that she is doing for the business or the profession in which she works. It is only then that we will have taken a great step forward. It is interesting to note that if women actually achieve that and are paid equal pay for work of equal value, then the goal set by the hon. member for Winnipeg North Centre (Mr. Knowles) of seeing a greatly enlarged number of women in this Chamber will not be met simply because to get here politically—and the law will not change that in any way—a woman still has to be twice as good and work twice as hard. Of course the representation that we have here is remarkable.

One of the things that most encourages me about the potential success of the bill is the way in which the women's movement in the last 10 or 15 years in North America has forced changes in the languages so that one must be very careful now. I was speaking at an inaugural session of the city council in my constituency during the Christmas break. It is a council which at present, regrettably, has no women on it at all. I was making a run-through of other towns and municipalities in my constituency, pointing out the women who had been elected or re-elected aldermen and mayors in those communities, and I almost fell into the trap of describing them as able and charming, or able and beautiful. Then I realized that one would not describe a male alderman that way and that I had better be circumspect in my language, so I was reduced to describing them simply as able. That adjective certainly can be applied to the women representatives that we have here in parliament. They have come through a finer screen than any of the men who are here in order to be representatives, but when they go out to their constituencies advising the sisterhood to run for office, they are going to be told by those sharp business people that when the pay scale is considered, there is not enough in it. If women are going to get equal pay for work of equal value, the pay scale would not tempt people to come here, so I suspect the bill will not advance the cause which the hon. member for Winnipeg North Centre put forward so ably and excellently as long as the pay scale for a member of parliament is as uncompetitive as it is with anything equivalent anywhere else in the business or professional field in this country. However, I hope that can be changed.

• (2010)

I find the little exception with regard to age and retirement to be interesting. I suspect that will be one of the first clauses of this bill to be appealed because we are approaching the time when this business of automatically retiring at an earlier and earlier age will be challenged, and that will be seen in the not too distant future as a discrimination which cannot be tolerated. I think it would help women most of all if there was a flexible retirement age because I have seen too many who, by the time they are 55 or so, find that they can no longer attain any employment, and at that time they have to go on welfare. It would be more practical if they could retire on a pension at that time, if they should choose to do so, and if others, along with males who are vigorous at 65, could continue for somewhat longer if they should wish to do so. I suspect that we will have to move to something of that nature following passage of this bill.

One of the regrettable aspects of our times is the increased crime rate, but this bill excludes inmates who have served their sentences. It protects a person who is granted a pardon as if his

crime had never been committed, and he is totally absolved of it, but one despairs for a country which will not accept the rehabilitating nature of a prison sentence, nor even the punishment aspect of it.

One of the reasons we have a parliamentary committee touring this country is to see what is wrong with our prisons. One of the things which is wrong is that almost everyone in them knows that after the sentence has been served a person has to pay and pay for the rest of his or her life. There is a discrimination there because we do not basically believe that a person has paid for his crime when he has finished his sentence. I realize how very difficult it would be, however, to extend this clause further than it goes at the present time.

There are important questions we could ask about the commission and its power to turn away a complainant if it thinks the problem can be solved elsewhere. If the commission refuses to hear a case, there is no provision for appeal, and people would then be thrown back on their own resources to the courts or other agencies. Whether there should be some check on the power of the commission in that way, I suppose we will have to wait and see. We will have to wait to see what regulations will govern its operation.

I realize that there are many things which bother the Advisory Council on the Status of Women about this bill. One prime objection is the exclusion of protection for Indian women against the discrimination which exists and which is embodied in the Indian Act. On this aspect the bill as it stands is no help at all. I do not think we should leave a growing portion of the population outside the law. There should be equal rights across the country.

I think we should seriously consider the Indian Act as it relates to this human rights bill because we cannot say that our aboriginal people are any less worthy of equal treatment in these areas.

We need some concrete suggestions as to the standards of skill, effort, responsibility, and conditions of work. The proposed human rights commission should establish effective standards to define these matters clearly so that we will know what they are, and so that the mass of litigation and appeals to the commission can be reduced. One would hope that that would serve a persuasive purpose in terms of hiring practices. Unless there is some definition or some guideline clearly set out, then the proposed human rights commission will be more swamped than the Anti-Inflation Board has been, and it will have to take unto itself a staff of enormous size in order to deal with the multitude of complaints which I am sure will be presented.

I hope that when this bill becomes law there will not be very many parts of it which will be disallowed or found to be inoperative because changes were not made in the Interpretation Act, and again the proposed human rights commission should concern itself with monitoring all the legislation which has been passed which has made it difficult for women to have their rights upheld in the courts.

I recommend for anyone's reading an article by Marguerite E. Ritchie entitled "Alice Through the Statutes" which appears in the McGill Law Journal, volume 21, No. 4 of the winter of 1975. That was not very long ago, and yet the writer found it necessary to sound a warning about the inability of women to find that they can be given the rights which are assumed to exist for men. I know that the bill before us refers to an individual; it does not use the word "male". The bill assumes that women have the same rights, so that may be taken care of, but I hope the minister will address himself to the concerns which have been presented to me by women who have had lengthy experience in Ottawa and who are familiar with some of the difficulties involved in taking a case to court in an attempt to remove discrimination.

The closing words of Marguerite E. Ritchie's article are interesting, and I quote:

> For over a hundred years it has been clear that legislation drafted in terms of the male exposes women to denial of rights granted to men. Even legislation drafted in neutral terms has often been used to exclude women from rights and privileges. The whole structure of the law with respect to women rests upon judgments of men who regarded women as inferior. Women who seek even the smallest hope of equality must demand express legislation, written in the clearest possible terms. Yet legislation, however clear, has often failed at the hands of antagonistic male judges.
>
> What is the answer? What should women and those men who sympathize with them do? Would it be better to ignore the Interpretation Act and to concentrate on other statutes which appear to promise equality? Will the promise of these statutes be any better than the illusion of the Interpretation Act?

Examples are cited with regard to the failure of that act to protect, and finally, in conclusion, the writer says this:

> What we do know is that words can be made to mean many different things. It all depends on who is drafting the statutes and who is deciding upon their meaning.
>
> Lewis Carroll said it all in "Alice Through the Looking Glass":
>
> "When I use a word," Humpty Dumpty said, in rather a scornful tone, "it means just what I choose it to mean—neither more nor less."

● (2020)

> "The question is," said Alice, "whether you can make words mean so many different things."
>
> "The question is," said Humpty Dumpty, "which is to be master—that's all."
>
> And that is the question. Not for dogs and cats, but for women and men who are concerned about something called justice.

As we prepare to pass this bill in which we can all agree with so much, there are still questions to be raised. I do not think there is anyone here so optimistic he would not see the bill failing to take its full effect until it has been used and faced with the challenges that will inevitably arise and which must be carried through to the Supreme Court of Canada for the final decision on whether the bill truly achieves the high aims set out in its magnificent and revolutionary preamble.

If I might make a final point, it is that this bill will be distinctively Canadian in its scope compared to practically every other nation in the world. We will have something that many people who come to this country will not have experienced in other parts of the world—a kind of freedom, a kind of mobility in the society forecast in these bright areas that I hope we can achieve. But we must realize that there are

many countries in the world that, by their very nature and their long history, have not provided equality on all of these bases the way this bill will do for this country. We will be moving into a class that is distinct, separate, and special.

It will be to the credit of this country to pass the bill, but we must be warned that the struggle is not over the moment the legislation is proclaimed. It will have to be monitored by every group interested in preventing discriminatory practices whether by race, ethnic origin, colour, sex or marital status. Only by that kind of eternal vigilance can it be made part and parcel of our life and culture, something which we accept and in which we believe.

Some hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the hon. member for Greenwood (Mr. Brewin) has already indicated it is our intention to support this bill at second reading stage. We do that because we recognize the importance of putting a bill on the statute books which at least begins to outline the rights of Canadian citizens—which begins to delineate the human rights to which Canadian citizens should be entitled.

We support that kind of bill because we know that while many Canadian people like to think that this is a country which does not discriminate, in which people are not prejudiced and people are not adversely affected because they belong to a racial, religious or ethnic minority, such is not always the case. We have had the most glaring illustrations of prejudice and discrimination in every part of the country. I could start on the east coast or the west coast and take it province by province—the way we dealt with Japanese Canadians in British Columbia during World War II, how we moved them from the homes they had lived in for so many years, hundreds or thousands of miles away; how the Hutterite groups have been dealt with in Alberta, and how the native people have been mistreated in every province and territory.

Knowing our record and knowing how necessary this bill is, we give general support to it. We recognize there are some good things in it, and for them we give credit to the government. The bill consists of a number of important clauses which deal with some separate fundamental issues. Let me list a few of them.

I believe the bill spells out the right of all citizens, men and women, to receive equal pay for work of equal value. I know that is a difficult provision to implement. Countries in all parts of the world that have tried to implement it—and it is part of the International Labour Organization Convention No. 100—have had difficulty in doing so. We at least have it as part of this bill.

I believe this bill will permit the government to take affirmative action to help disadvantaged groups, people who have been discriminated against for various reasons. It will help them through special programs to attain improvements they have not been able to get until now.

This bill also includes a provision to help the physically handicapped and prohibit discrimination against them.

For these reasons, and for the general thrust of the bill, we want to commend the government and give our support.

We have had experience in the federal jurisdiction and in all provinces with legislation whose purpose is to prohibit discrimination because of race, colour, religion, etc. I refer to the Fair Employment Practices Acts of the provinces and federal government, and the Fair Accomodation Practices Acts of the various provinces. These acts are on the statute books but unfortunately in some provinces, if not most, they remain essentially a dead letter. The provinces have done little if anything to publicize the legislation, have done little if anything to let the people discriminated against know they have rights, and have done little in the form of education, and practically nothing in the form of investigation, and so in some provinces the laws have been singularly unsuccessful.

On the other hand, in some provinces such as Ontario, Nova Scotia, Saskatchewan and, to a lesser degree, Manitoba, there have been attempts which have been quite successful. Having passed the legislation, the governments of those provinces have established agencies and given them funds at least to begin to get the message contained in the legislation to the people, particularly those most directly and adversely concerned.

I hope I am wrong when I get the feeling that this legislation has been drafted almost exclusively—and I do not mean in just the legal and technical language—by lawyers. I have a feeling that the concept of the people who drafted it is that the whole thing is to be a legal operation. Someone complains. The complaint is investigated. The board, holds a hearing, makes a finding and issues an order. If the experience of the provinces in this field is any guide, we need fewer court cases and quasi judicial hearings and much more discussion involving those who have been discriminated against and those who have discriminated.

● (2030)

Mr. Basford: Hear, hear!

Mr. Orlikow: Only through such discussions can a solution acceptable to both parties be found. I hope, once this legislation passes, that the minister will consider an operation of that kind, instead of purely legalistic prosecutions to enforce the law. Having said that, I hope the minister will consider my remarks in the spirit in which they are offered. I meant to be complimentary.

I now wish to deal with the clause which, in my opinion, ought to have been left out of the bill, the clause purporting to deal with privacy. Mr. Speaker, privacy involves extremely complicated questions.

Every country of the world, by which I mean every democratic country—in totalitarian and authoritarian countries citizens have no right to privacy, have no freedom, and I will not discuss them—every democratic country in recent years has had to give much thought to the rights of individual citizens, to a citizen's right to believe what he wants, say what he wants,

and think what he wants without interference by government. There are no easy answers to this complicated question. I hoped the government would introduce a freedom of information bill as a companion piece to its human rights bill. I believe a bill of that kind is a must for a modern-democratic society. We have seen no indication that the government accepts this idea. Even if it can be said that the government accepts the idea in principle, it has, as demonstrated by this bill and the minister's speech, so hedged its acceptance of the principle of privacy with so many reservations as to suggest that it does not intend to give the people of this country the right to privacy and the right to freedom of information.

Last Friday, after the minister had introduced the bill on second reading, the hon. member for Greenwood disagreed with some of the things the minister had said.The hon. member for Greenwood told the minister what we, in my party, think is wrong with the bill. To make my point clear I shall quote part of what the minister said last Friday, as reported at pages 2977 and 2978 of *Hansard* for February 11, 1977. He said:

> Turning to a different aspect of the bill, that is, Part IV, Mr. Speaker, I noted in my introductory remarks that apart from the question of discrimination, the question of individual access to government records is not a uniquely Canadian issue. It is a problem faced by most highly developed societies. My officials and I have carefully studied the experience of the countries. We believe the provisions in the human rights bill provide the widest possible access and the firmest safeguards consistent with our parliamentary system and the interest of the public as a whole. I believe that the provisions of this bill, taken as a whole, will give Canadians more effective protection against administrative misuse of personal information in government files than that now enjoyed by citizens of the United States.
>
> The United States privacy act and part IV of Bill C-25 have the same basic objectives. Both acts have basically the same approach to providing access through the creation of a federal index of personal information banks. Both acts provide for an individual to see his file and to propose changes if the individual feels that errors exist. Both acts provide for administration procedures to warn users of the file that the subjects of the record objects to particular information in the record if an institution refuses to make corrections.

Let us compare what has happened in recent years in the United States with what is happening right now in Canada. Those interested in the Alger Hiss case were able to obtain virtually all the records and materials accumulated by the FBI during its investigation of the case, as well as all the records pertaining to the prosecution. It does not matter to my argument whether Alger Hiss was guilty or innocent. The point is that American citizens could get that information. Similarly, the children of the Rosenbergs who were electrocuted for giving atom bomb secrets to the Soviet Union were able to see the FBI files concerning the Rosenberg case. Can the minister suggest for a moment that Canadian citizens have similar rights? I do not want to flog a dead horse, but let me say this: I have before me a copy of a letter dated June 15, 1971, written by the former solicitor general to other cabinet colleagues. It is marked "personal and secret." The contents of the letter were not revealed to the 21 people about whom the minister wrote. Talking about the report he had received, the minister said in his letter:

> The report also draws attention to the activities of various persons and groups, some of them employees of the federal government, who support the EPO concept and who appear to have as their aim the destruction of the existing political and social structure in Canada.

That is a most serious charge.

Mr. Woolliams: I'll say it is.

Mr. MacKay: I thought there was no list.

Mr. Orlikow: The letter goes on to say:

> Through such institutions the New Left seeks to organize and radicalize the underclasses of society and mould them into a revolutionary force capable of overthrowing the present socio-political system . . .
>
> Of more concern, however, is the presence within certain government departments and agencies, particularly CMHC, of a small group of former campus revolutionaries . . .

And so on. As I say, those are serious charges. If the government stands by what the minister said last Friday, it should at least give those people notice that they have been accused by somebody. They ought to be told what they are charged with so that they may have the opportunity to enter a defence.

In this connection may I refer to another case to which the hon. member for Winnipeg South Centre (Mr. McKenzie) referred earlier in the present debate. A man called McGuire worked for CN-CP Telecommunications, an organization which is partly owned by the Crown. That corporation entered into a contract with the Department of Supply and Services for the transmission by the RCMP of certain information. Under the provisions of that contract, Mr. McGuire and a number of other employees had to pass a security check. Mr. McGuire was told by his employer that he did not pass it, that he could therefore not work for the company any longer and he lost his job. Mr. McGuire was never given a bill of particulars. He was not told why he lost his security clearance, nor was he given an opportunity to defend himself and explain why, in his view, the decision to remove his security clearance was unfair.

● (2040)

The union felt they could not accept this action. If the employer could do this to Mr. McGuire, the employer could do it arbitrarily to other people. They exercised what they thought was their right to grieve the matter. The case went as high as it could to arbitration. The union lost at every stage.

The union eventually took the case to the Supreme Court of Ontario where it applied for an order quashing the arbitration award on the ground that the grievor, Mr. McGuire, has been denied a fair hearing, that he could not adequately defend himself not being aware of the reasons why he failed security clearance. Mr. Justice Robins sympathized with Mr. McGuire, but dismissed the application. He said in part, and I quote:

> While one may sympathize, as I do, with an individual's wish to know why he has been refused security clearance and with his desire to have the opportunity to contest allegations against him and confront those responsible for the allegations, proceedings before an arbitration board arising under a collective agreement between a company and a union do not provide the forum for vindication against such governmental decision. Recourse must be found elsewhere.

Where is that elsewhere? One would have hoped it was in this bill, but it is not. Under the provisions of clause 4, about

which the minister spoke so glowingly, there are so many exceptions that we know in advance that no one will get any information that a government minister or bureaucrat does not want a person to have. We know from experience that individuals never get information about themselves to which they are entitled if the government does not want to give it.

The hon. member for Greenwood listed all the exemptions which this bill includes in Part IV. I will not do that again. I will merely refer to one. If, in the opinion of the minister, the harm of the disclosure would outweigh the benefit, it could be made exempt. Surely that makes the minister the judge, jury and prosecutor. That kind of principle is one which we in Canada would not knowingly admit is part of our system of justice. However, that is the kind of provision the minister wants us to accept.

In conclusion, I want to remind the minister of a policy with regard to the rights of individuals suspected of being security risks. The policy was enunciated by a former Liberal prime minister, Mr. Pearson. To my knowledge it has never been repudiated or modified. If one looks at the cases, it is obvious that it has not been lived up to. I refer the minister and hon. members to *Hansard* of October 25, 1963. I will read just a couple of paragraphs of the statement by the then prime minister, Mr. Pearson. I quote from page 4044:

> The first of the new requirements is to inform the person involved when his security or reliability is in doubt and may have to involve his dismissal. Employment departments and agencies will in future be required to tell an employee everything that is possible of the reasons for the doubt, if there is a doubt, and to give him an opportunity to resolve that doubt.

There is no question as to whether the 21 people listed in the appendix to the letter from the former attorney general were given that opportunity. Mr. McGuire was never given that opportunity. Mr. Pearson went on to say:

> The second new requirement is to ensure that a second look is always taken by a separate body before dismissal is finally decided upon. Once the individual is told of security doubts he will have the opportunity to give his side of the case. The employing agency will consider it, consult the staff of the government security panel, and arrive at a conclusion. It may be to accept the person as reliable, in which case no problem arises. It may be to transfer him to a less sensitive employment, as has been the case certainly more than once in the past—

None of these procedures was followed by the government in the cases that I have mentioned. I mentioned those cases because we know about them. Because of the way in which the government conducts its business, because of the secrecy which the former prime minister said would no longer be the policy of the government, and because of the failure of the government to enact regulations or legislation to protect the rights of individuals, we do not know how many other cases there have been. However, we have every right to believe that there have been others. In fact people have been accused, tried, convicted, and penalized without ever knowing it.

We have every right to call on the minister to re-think his position, to call on the government to re-study the question and to give Canadian people a law which will give them the same rights and protections which are embodied in legislation in the United States and other countries. Without that, many of the rights supposedly included in this bill will not be given to the citizens of Canada.

[Mr. Orlikow.]

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I want to incorporate many of the arguments that were outlined this afternoon and those that were given on the previous occasion in my speech. I am one who sometimes questions it when you spell out our inalienable rights in a statute. I believe that out of the growth of the common law, which is really the crystallization of customs and traditions that grew up through our social being, flows all real true freedom, and it is a matter of interpretation. When that doesn't work, of course, people crushed by law have no hope but from power, and if laws are their enemies they will be enemies of the law. Those who have much to hope for and nothing to lose will always be dangerous, and it is only when they are dangerous that sometimes we bravely get progress, because man climbed out of the slime because of discontentment.

● (2050)

We need a human rights bill. I agree with the hon. member for Winnipeg North Centre (Mr. Knowles) that the battle for human rights never ceases. We go back to the days when Cicero said the natural law was unchanging and everlasting, that it was one eternal and unchangeable law for all nations and for all times. In the Middle Ages, of course, Thomas Aquinas emphasized that natural law was superior to man-made law and that, as a result, all rulers were themselves subject to it. Of course what really grew out of that thought was that freedom, in our understanding of the word, flows from the rule of law, not from people.

The Reformation, of course, brought sharply to the fore the need for the protection of freedom of religion. It is interesting to note that we got freedom of religion in Canada before the Mother Parliament adopted freedom of religion in the United Kingdom.

As the concept of the social contract theory of government developed in the 19th Century, still greater emphasis came to be placed on the rights of the individual. If the government failed to respect natural rights, wrote Locke and Rousseau, disobedience and rebellion were justified. Thus was born the modern notion of human rights. So responsive were men to this notion that the greatest social revolutions in history took place in the western world, one in America and one in France, in order to preserve for individuals the rights which they claimed belonged to them.

This deep-seated desire for the recognition of human dignity—and human dignity, of course, is what we are talking about when we are talking about human rights—is reflected in the words of the American Declaration of Independence. I will only spell out a few of its thoughts in that regard. It says:

> We hold these truths to be self-evident, that all men are created equal—

We have to remember that that was composed in 1776 and 1783 but it took them a long time, even when they had spelled out everything—and this is what I want to emphasize—before men were recognized as equal in the United States of America.

—that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.— That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed—That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government—

Of course that can be done in a democracy very easily because in a democracy, thank God, people can ask us to leave this job very nicely. There is that one law for all, namely, the one law which governs all law, the natural law which is known as the law of wisdom, and which is sometimes known as the divine law meaning, of course, the law of humanity, justice, equity and equality. All this is found in our common law and, if not found or enforced by the use of common law, I fear it may not be enforced by rights spelled out in the statutes. However, let us try. I say this, however, with some reservation, because of my own experience.

The common law of Canada which is a heritage we received from the United Kingdom, as did the United States of America, may in some cases, with some reason, guarantee all those freedoms outlined in the bill much more effectively than a statute can do so. For what a statute gives by guaranteeing freedom and equality may sometimes subtract from others the same amount of freedom and equality. I pause there. That is the one weakness of this bill.

There is to be set up a tribunal, which will be a bureaucratic administrative tribunal, to make decisions. That frightens me. It frightens me because I have had some experience in reference to administrative bodies and how they operate and what kind of evidence they listen to, because they can listen to hearsay or other evidence, direct or indirect. And I would say that one of the first amendments which should be proposed to this bill is that the right of appeal to a Superior Court should always be spelled out in the statute. Failing that, this bill could take away more rights and freedoms, and do more harm to equality, and create more discrimination than it gives, because you have a bureaucratic board administering it. Therefore the very spirit of the bill, which I endorse, could be lost in the wording of the statute.

Let me make some suggestions. I am in favour, of course, of human rights—like motherhood. As the bill sets out in clause 2:

The purpose of this act is to extend the present laws in Canada to give effect, within the purview of matters coming within the legislative authority of the Parliament of Canada, to the following principles:

Others have quoted this, and perhaps I might just do so.

(a) every individual should have an equal opportunity with other individuals to make for himself or herself the life that he or she is able and wishes to have, consistent with his or her duties and obligations as a member of society, without being hindered in or prevented from doing so by discriminatory practices based on race, national or ethnic origin, colour, religion, age, sex or marital status, or conviction for an offence for which a pardon has been granted or by discriminatory employment practices based on physical handicap;

I would bring to your attention, Mr. Speaker, and I am sorry he is not here this evening, the achievement of the right hon. gentleman from Prince Albert (Mr. Diefenbaker) who, in 1960, brought in the Bill of Rights. When you look at the wording of the Bill of Rights and at this act, you find they are synonymous. But one thing about the Bill of Rights is that the rights set out in that statute are enforced by the judiciary, an independent body, not by an administrative group or board appointed by an order in council or some government which might have some political influence or patronage behind the scenes. The Bill of Rights states:

It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms—

This is exactly like the first clause of the bill. The words are the same.

(a) the right of the individual to life, liberty, the security of the person, enjoyment of property and the right not to be deprived thereof except by due process of law;

Note, it says, "an individual" it does not say "male". "Individual" means both male and female. The Bill of Rights goes on to speak of the right of the individual to equality before the law and the protection of the law; freedom of religion, freedom of speech, freedom of assembly and association and, above all, freedom of the press. I am not going to get further into that. I shall merely say that this Bill of Rights does not apply only to bills which are passed now but to bills which have already been passed. The Supreme Court has upheld that contention as good law. What I am saying is that the man who set the tone on the subject of human rights is a former prime minister, the right hon. gentleman from Prince Albert.

Some hon. Members: Hear, hear!

Mr. Woolliams: I mention once again that the implementation and application of the Bill of Rights are done by the judiciary of Canada and not by some group of unknown people who may form some tribunal without the right of appeal.

● (2100)

Another matter I want to discuss for a moment is the privacy of individuals, which should be protected to the greatest extent consistent with public order and well-being. I was shocked this week when I read the annual report to His Excellency the Right Honourable Governor General of Canada, which is required by the Criminal Code of Canada, section 178.22. I am talking about wiretapping. I am happy indeed to see the hon. member for Fundy-Royal (Mr. Fairweather) in the House; he made a great contribution in the committee when these sections were going through. I was rather shocked to see this statement at page 6 of the report:

The number of persons arrested—

Not looked at, Mr. Speaker, but arrested, which means put in jail.

—whose identity became known to a peace officer as a result of an interception under authorization was 1,062.

This means, Mr. Speaker, that these people were locked up. They were just not talked to but locked up. Then paragraph (2) says:

The number of criminal proceedings commenced at the instance of the Attorney General of Canada in which private communications obtained by interception—

I will leave out the rest, but out of the 1,062 persons, 13 were found guilty.

Mr. Fox: Read the next paragraph.

Mr. Woolliams: I will read the next paragraph. I am glad the Solicitor General (Mr. Fox) came across and spoke to me, because I am going to say something about his answers today. He told me that some cases had not proceeded, and I said that perhaps they were left over from last year.

Mr. Fox: Read the rest of it.

Mr. Woolliams: Well, if the Solicitor General wants to make a speech he can make one. If he says that I am wrong, then let him say so. But if he is going to endorse this kind of law, and if he and the Minister of Justice (Mr. Basford) want to repeal the 90 days' notice clause in regard to people who have had their telephones wiretapped, then if 1,062 people were put in jail and there were only 13 convictions with notice, God help us when they abolish notice. This is why we took him and the Attorney General of Canada on in committee. They are members of the party which is supposed to stand for freedom. It is the party that is supposed to say it believes in civil rights. I would ask them to take a look at their own legislative clauses and to clean them out.

Some hon. Members: Hear, hear!

Mr. Fox: Just read the next paragraph.

Mr. Woolliams: According to the Montreal *Gazette* of today's date:

Canadian bureaucratic procedures, it appears, grind on irrespective of the liberties of citizens. Justice F. U. Collier's 29 writs are the latest case in point.

These writs of assistance—search warrants—were issued to the RCMP for customs and excise work. They are extremely broad, directed against no person or crime and without time limit. They allow an officer to enter any building at any time, even breaking down doors, and to seize goods.

The government has allowed these writs to stay in use for 35 years. Do hon. members like that kind of law? Would they like it in Quebec? They remember what the Supreme Court of Canada said about the padlock law of Duplessis, and I am sure they would not like that sort of thing.

Miss Bégin: You should raise it in the question period.

Mr. Beatty: You were not in the cabinet then.

Mr. Woolliams: I will be saying something about the question period in a minute.

Justice Collier, believing he had no choice, issued them "reluctantly and despairingly." It is true that in 1965 the court ruled it had to bow to Parliament's wishes and so issue the writs.

But what are Parliament's wishes? Article 145 of the Customs Act says a federal judge may grant such writs.

[Mr. Woolliams.]

They went out with the Star Chamber court.

The law, which expresses Parliament's intent, seems to give the court discretion. Indeed, if it did not, there would hardly be cause for the procedure. There must be some means of checking police power under the law, and the courts are a logical instrument for that function.

The RCMP says it needs the writs, because it is difficult to find judges on off hours.

Yet they used these writs for 35 years, Mr. Speaker. That is a great excuse. I am surprised that the Solicitor General backs this kind of nonsense.

Maybe so, but it is not impossible, and police convenience is just one factor to consider. And why 29 writs, without time limit, when more can be had any working day?

So this editorial proves that what I said in reference to wiretapping was correct.

I asked questions about this in the House. I asked what was going on in the prisons. I called them horror chambers. I dared to raise my voice this afternoon to the Solicitor General and the government in regard to a report that a young fellow 15 years of age, who has been sent to a penitentiary in British Columbia, has been forced at the point of a knife to have oral sex with senior inmates. If that is not a horror dungeon there never was one. We have talked about civil and human rights, and when I asked the minister this afternoon to clean up the mess he said he had only waited for eight years and he was going to wait some more until he got a report. What does he need before he takes action, Mr. Speaker?

Mr. Dionne (Northumberland-Miramichi): You keep pegging away.

Mr. Woolliams: All right, I will look after your hearts over there. I am always glad to see the party whip in the House because he takes a register every day of who is in the House. I hope he registered those who were absent on his own side.

Mr. MacKay: He was a football coach. He had to do it.

The Acting Speaker (Mr. Ethier): Order. The hon. member for Hamilton Mountain (Mr. MacFarlane) is rising on a question of privilege.

Mr. MacFarlane: The hon. member is always talking about rights and I hope he will not infringe on mine. Unless he comes over here and checks that this has been done, I hope he will not make a remark of that nature, Mr. Speaker.

Mr. Woolliams: The former whip said that he kept one, so maybe the hon. member is getting lax in his duties. However, while on the subject of answers that I have been getting, I thought he would like to hear a quotation from Chesterton because it illustrates the kind of answers that we have been getting. Chesterton said:

It is a deadly error (an error at the back of much of the false placidity of our politics) to suppose that lies are told with excess and luxuriance, and truths told with modesty and restraint. Some of the most frantic lies on the face of life are told with modesty and restraint; for the simple reason that only modesty and restraint will save them. In one sense, truth alone can be exaggerated: nothing else can stand the strain.

I hope that the minister listened to that quotation.

I now want to come to another situation. May I refer to the second report of the Standing Joint Committee of the Senate and House of Commons on Regulations and Other Statutory Instruments. Like other bills the government brings in, Bill C-25 spells out a lot of provisions, but much of what is going to be done will be done by order in council. What does the joint committee of the Senate and House of Commons say about this? It says:

> The Committee desires that, in principle, all subordinate law and rules made by the Crown and by those put in authority under the Crown, or by any other delegate or sub-delegate of Parliament, should be subject to Parliamentary supervision, unless specifically excluded.

In other words, regulations and the rules implemented by order in council are turned out by the government like an assembly line. In every bill the government is enlarging the right to legislate outside of parliament. Legislation should be debated in parliament, scrutinized, and voted upon. I see the hon. member for Assiniboia (Mr. Goodale) shaking his head, but I know he has been flying around with the Minister of Transport (Mr. Lang) and has been getting into bad habits.

● (2110)

The report goes on to read:

> Any exceptions from such supervision should be made explicitly and be justified on such compelling grounds . . .
>
> All subordinate laws and rules should, unless again there are compelling reasons to the contrary, be registered centrally and published.

My point is that I hope that when the bill gets to committee those provisions that are to be set down by regulation can be written into the bill.

In the matter of human rights, it seems to me that education is the best way to persuade and to ensure that humanity and equality flourish throughout the land. I am not being critical of the government at the moment, but let me say that I was rather shocked to find that the very first Canadians, the Indians, were excluded from the provisions of the bill because their rights and privileges come under the Indian Act. Having at one time represented the old constituency of Bow River in which the Blackfoot and Morley reservations are located, I know that the Indians are skeptical because some of the treaties and rights are spelled out in the Indian Act, and therefore they are reluctant to see the few rights they have appear even in a bill called the human rights bill.

Leo Tolstoy said the following, and I think he put it very succinctly:

> It is very easy to take a child away from a prostitute, or from a beggar. It is very easy, when one has money, to have him washed, cleaned and dressed in good clothes, fed up, and even taught various sciences; but for us who do not earn our own bread, it is not only difficult to teach him to earn his bread, it is impossible; because by our example, and even by those material improvements of his life which cost us nothing, we teach the opposite.

In other words, you can legislate this type of bill, but as long as there are economic differences in Canada—and there are great economic differences today because of the high rate of unemployment which exists in the maritimes, in Quebec and in other parts of Canada—you cannot legislate against economic discrimination. No legislation will help, unless we achieve economic equality in Canada.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Woolliams: I always appreciate when the hon. member for Winnipeg North Centre speaks on pensions in the House—and I mean this sincerely—because of the inequality which exists between pensions paid to males and females. This bill will not correct this situation unless there is other legislation to ensure that the intent and purpose of this bill are carried out.

I should like to make one comment about the equality of the sexes. We have heard a lot about that. It is easy to say and believe, but it will not occur overnight because of preconceived ideas.

Some hon. Members: Oh, oh!

Mr. Woolliams: My hon. friend laughs. I do not know why. Let me give an example. I saw this in my own city. One female is hired as a telephone repairer. She is one woman among 100 men, but that does not guarantee equality. It means more than that. Such an example is merely hanging drapes over an untidy and unsightly window. My hon. friend laughs again. I am sure the ladies do not laugh. This is in the bill. We are not talking about the kind of sex the hon. member is talking about. I know that he is talking about. All I am saying is that there will be no equality between males and females by legislation if it only means that you hang out the drapes over an untidy or unclean window, and you hire one or two females and give them equal pay. That means nothing. It is merely an apology, merely an excuse for the bill.

I want to say again that the setting up of a tribunal or a commission to enforce the terms and sanctions of the bill creates a firm bureaucratic body with absolute power which could destroy freedom if a wrongful decision is made regarding race, national or ethnic origin, religion, age, sex, marital status, physical handicap, or conviction for an offence in respect of which pardon has been granted. There should be included in the bill the right of appeal, and I say that right must be granted from a decision in any superior court in any province. An independent review is a must, because if someone lays a complaint and if, for one reason or another, the tribunal says that discrimination has been exercised, under the terms of the bill the man is liable to have his business closed, and to many other actions.

It is the unalienable right of every Canadian to have the right to appeal the decision of any administrative body which will accept evidence. Having said that, let me say that I think that is the most important contribution I can make to this debate.

An hon. Member: What was all the rest of it?

Mr. Woolliams: You would not understand it, and I feel sorry for you.

Let me end on this note, Mr. Speaker, with reference to this bill, to the wiretapping legislation, and to other acts. I should

like to read a poem which I have quoted previously. It is my favourite poem. It reads:

Eternal spirit of the chainless mind.
Brightest in dungeons, Liberty, thou art,
For there thy habitation is the heart—
The heart which love of thee alone can bind;
And when thy sons to fetters are consigned—
To fetters, and the damp vault's dayless gloom,
Their country conquers with their martyrdom,
And Freedom's fame finds wings on every wind.
Chillon. Thy prison is a holy place,
And thy sad floor and altar—for 'twas trod,
Until his very steps have left a trace
Worn, as if the cold pavement were a sod,
By Bonnivard. May none those marks efface!
May they appeal from Tyranny to God.

To me it is within the spirit and soul of man and woman whether we are going to have human rights of not. You cannot legislate morality. You can legislate kindness. You can legislate against bigots. You can only educate and try to enlighten people. It is in the flow of education and enlightenment, and in the soul of men and women, that you can bring about real equality and end discrimination wherever it exists.

The Acting Speaker (Mr. Francis): The hon. member for Ottawa-Carleton (Mrs. Pigott).

Some hon. Members: Hear, hear!

Mrs. Jean E. Pigott (Ottawa-Carleton): Thank you. I would like to begin my bachelor speech—

Some hon. Members: Hear, hear!

Mrs. Pigott: —by congratulating Mr. Speaker and Mr. Deputy Speaker on their chairing of the debates of this House. In my three short months here I have come to realize that the spirit of impartiality and good humour that radiates from their presence is vital to the functioning of this great Chamber.

I suppose that every politician likes to think of his or her constituency as being a microcosm of the nation. In the case of Ottawa-Carleton, this claim is correct. Ottawa-Carleton is partly urban, partly suburban, and partly rural. The riding contains more public servants than the average, it is true, but in most other respects it is very typical. Most important, perhaps, the balance between French-speaking and English-speaking Canadians is about the same as in the nation as a whole.

● (2120)

In such areas as urban planning, housing, transport, bilingualism, decentralization, and the withdrawal of farmland from production, Ottawa-Carleton is a cross section of Canada. In my three short months here the telephone calls, the constituency visitors and the letters are all beginning to show a pattern of people who are human and who feel caught in the machinery of big government, big companies and big trade unions. They sense a faceless, remote power which is not concerned about them as people. We need more listening posts where people can find concern, humanity, and justice.

Some hon. Members: Hear, hear!

Mrs. Pigott: In the years to come my riding will be a critical testing ground for the ability of the government of Canada to come to terms with the serious problems facing our country today. But overriding each of the difficulties before us now is the larger more human concern about the well-being of Canadians. It is in regard to the problems of individual people that I wish to speak on the proposed human rights legislation.

We welcome the bill. We are anxious to see it proceed as quickly as possible to a point where Canada can claim the entrenchment of human rights legislation exemplifying the spirit of the Declaration of Human Rights as approved by the United Nations. There are, however, certain points in the bill where some amendments might improve the law. Ultimately, of course, Canadians will make the guarantee of human rights a reality in our country. Proper legislation and education, however, can be very effective agents of this process.

No mention of human rights in Canada can be made without the recognition of the leading role of the right hon. member for Prince Albert (Mr. Diefenbaker) in pioneering legislation in this important area.

Some hon. Members: Hear, hear!

Mrs. Pigott: I would like to join the minister and other hon. members in paying tribute to the right hon. member for his significant contribution to the area of human rights and to the spirit of that concern which carries forward today.

I am by occupation a businesswoman. You and I, Your Honour, as bakers, come from the same business background. For many years I have operated an enterprise employing hundreds of persons. I know the necessity of encouraging and maximizing the optimum use of every asset, and human resources are still the most vital asset of any company or any country. There is a need for governments, through leadership, example and prudent legislation, to establish a climate within which individuals can pursue their own goals. It is the responsibility of the federal government to encourage the various elements of our complex society to work in harmony for the well-being of all Canadians.

One of my favourite stories relates to Michelangelo when he was carving the beautiful statue of David. A young boy sat watching as he chipped away the stone, and the figure of David began to emerge. Finally, as he was putting the finishing touches to the work, the lad came up, pulled Michelangelo's sleeve and said, "How did you know he was in there?" As the economic, social, and cultural forces in our national life chip away at the large stone called Canada, I pray there will be many Davids emerging to take roles in business, politics, and labour to slay the Goliaths of mistrust, greed, intolerance, waste, and fear which keep us from maximizing the human potential of all Canadians.

Some hon. Members: Hear, hear!

Mrs. Pigott: One area of concern in the human rights bill is its provisions for dealing with discrimination aimed at the handicapped. We in Canada are still guilty of cruel discrimination against the 15 per cent of our people who, through no fault of their own, are physically handicapped. That equals half the population of Quebec, or the total population of the three prairie provinces. We have victimized them through our ignorance, oppressed them through our laws, or lack of them, hidden many of them from our sight and kept them from our communities by constructing buildings which make it all but impossible for the handicapped to exercise their basic human rights. For years now the handicapped have tolerated public insensitivity to their situation, but we live in an age when the level of knowledge in medicine, science, technology, communications and other fields has reached an advanced stage, and the "Forgive them for they know not what they do" attitude of the handicapped must go.

Disabled people have the same needs as the rest of us—a good job, an adequate income, a choice of housing, an opportunity to take part in recreational activities, personal independence and a chance to contribute to their society. These are not privileges; they are their basic human rights.

The newest developments in medicine are aimed at restoring the cardiac, the stroke, and the severe accident case to as normal and meaningful a role as their impairment will allow. I am concerned that the environment these people are coming into should be prepared and ready to take them on a fair basis.

How have we denied these rights to the handicapped? Buildings in Canada are monuments to our thoughtlessness. The catalogue of our obstructions is almost endless. Steps, whether one or a long flight, are a great obstacle to the handicapped. In my own riding during this past month I have been unable to find a place in an office building that could take care of the handicapped. I had to go to a second floor, where there are stairs.

Awkward, heavy or swinging doors, hard to manage door knobs and handles, narrow entrances, elevators in which the buttons are placed too high to be reached by someone in a wheelchair, and numerous other constructions effectively say "keep out" to the handicapped. The majority of our buildings in Canada, both public and private, restrict access to thousands of Canadians who are wheelchair bound, to those who use crutches or other walking aids, who have diseases such as arthritis or heart conditions, who are elderly, blind, or disabled in some other way.

One of the strong points in the proposed bill is that it aims at prohibiting discrimination in employment on the ground of physical handicap. We hope that under this bill an employer will no longer be able to argue that his office is inaccessible to wheelchairs, which thereby denies employment to a handicapped person. The alternative for a handicapped person who is denied employment on such unfair grounds is the kind of government assistance which, in financial terms alone, forces poverty level living.

The very strength of the proposed legislation in dealing with employer discrimination toward the handicapped is also one of its weaknesses, since problems other than employment are not resolved. One of the greatest needs of paraplegics and other wheelchair users is proper housing. The design of most Canadian housing is discriminatory to the handicapped. We need buildings with units for wheelchair users distributed all across our cities so that handicapped people can live wherever they choose.

Implicit in the goals of human rights legislation is the nurturing of a quality of life for Canadians which promotes the individual citizen's search for dignity and a meaningful control of his or her own existence. Only through the use of one's capacities can satisfaction and a genuine sense of worth be achieved.

The quality of the environment is a factor in the quality of life. A large gap exists today between the possibilities offered to the able-bodied and those available to the handicapped. If the environment in Canada is to serve the whole population equally, it must take into account those who are handicapped, one person in seven, and allow for their development and self-expression.

The image which our society assigns to the handicapped becomes the self-image of each handicapped person. It affects their expectations and their behaviour. By our negative view of the handicapped we not only limit their prospects but also deny ourselves the benefit of their many talents. Through our thoughtlessness we have turned what would otherwise be a medically identifiable condition of physical impairment into a handicap. We have turned a physical disability into one which can often place the handicapped in a mental wheelchair as well as a physical one. We have done this by maintaining an attitude which magnifies the individual's perception of his or her disability. No matter how physically disabled a person may be, inside the body is a human being that has enormous potential to live and contribute. We must work to build an environment which sustains people's morale and provides an impetus to pursue goals.

• (2130)

Sadly, we have also created a handicap from another physical situation—age. We stereotype into a universal category anyone over the age of 65.

Some hon. Members: Hear, hear!

Mrs. Pigott: Chronological age, degree of biological aging, and personality are all lost in a blurred image which denies individuality. The stereotypes of old age lead to negative expectations.

As the Advisory Council on the Status of Women has pointed out, physical handicap is defined in clause 20 of the bill and includes any form of congenital or accidental infirmity. Two important restrictions limit protection to handicapped persons. First, discrimination prohibited with regard to the handicapped person only applies in matters of employment: in matters of services, facilities and housing, nothing is foreseen for the protection of the handicapped persons to benefit from these services normally available to other Canadians.

Finally, Mr. Speaker, I have one short story. Recently a legless pilot of the Battle of Britain was in Ottawa. Charlotte Gobeil interviewed Sir Douglas Bader, DSO, DFC, on television. During the interview she referred to him as "disabled". "My dear girl", replied Sir Douglas, "I'm not disabled. I've just got a set of different abilities."

I urge the minister to consider that implicit in the term human rights is the right of "human potential", to be recognized and developed to the advantage of all Canadians. In the handicapped and the aged, we have such great human potential.

Some hon. Members: Hear, hear!

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, it is a tremendous honour for me to follow the hon. member for Ottawa-Carleton (Mrs. Pigott).

Some hon. Members: Hear, hear!

Mr. Beatty: I want to pay tribute to her. I think those of us in the House who had a chance to listen to her very moving, eloquent, and compassionate address on the subject of Bill C-25 could not help but be struck by the tremendous contribution that is going to be made by the hon. member to public affairs in Canada.

Any of us who watched her career as a business person and knew of her public service in this community expected that when she came to parliament she would make a contribution to public life as well. In the three months she has been in this House the hon. member has justified the high expectations we had of her. She has proven in those three months that she is as able a representative as any in this House.

Some hon. Members: Hear, hear!

Mr. Beatty: Mr. Speaker, in the four and a half years I have been in parliament one of the most difficult problems I have had to face is in cases where legislation is put before the House which is flawed in many respects but which has also many good aspects, and to decide whether we should allow the bill to go to committee and possibly become law after making amendments to improve it, or decide to recognize the flaws as so significant that the bill should not be allowed to go further.

The legislation before us replaces Bill C-72 which sat on the order paper until the end of the last session. The fact it is no longer on the order paper is testimony to the government's belated recognition that the public would not stand for such poor legislation. If the government had resurrected Bill C-72 in different form and brought it before the House, my recommendation would have been to vote against it. It was so poor that it would have been worse than no legislation at all. The legislation before us is flawed in many respects but it is better than nothing, in my judgment, and deserves to go to committee.

When we deal with the bill in committee I hope the Minister of Justice (Mr. Basford) will prove he is flexible and willing to listen to argument made not only by members on his side but on the other side as well about improvements that must be made if the bill is to fulfil his intentions.

A number of my colleagues have spoken about the human rights provisions. The hon. member for Ottawa-Carleton was very eloquent and moving in her remarks, and other colleagues have pointed out that basically the bill is good where it deals with human rights although there are amendments we would like to see made.

I should like to address my remarks particularly to clause 4 which deals with privacy. Let me start by saying that this clause does not comply with the rest of the bill. Bill C-25 is a hybrid of two reports—the report of the Royal Commission on the Status of Women and the 1972 report on Privacy and Computers. The forced marriage between those two reports has resulted in a piece of legislation which in many ways is grossly inadequate. It is an unhappy marriage between poorly matched partners.

There is no need for us to debate whether action should be taken to protect individual privacy in Canada. Surely that case has been made long ago; surely there has been public acceptance of the need for action to protect personal privacy.

In 1972 when the excellent privacy and computer report was brought down, Canada was in a position of world leadership, recognized over the globe as being in the forefront of the recognition of the right to privacy and the need for legislative protection of that right. In the five years since, the government has squandered the lead that the privacy and computers report gave us. Already in other jurisdictions meaningful action has been taken. In Sweden legislation has been brought in which protects personal privacy and enshrines the concept of freedom of information in the public statutes. In the United States legislation has been brought before Congress and signed into law by the president, which deals with both questions of freedom of information and protection of personal privacy. In Great Britain strides have been made to protect the fragile right to personal privacy.

It is in Canada, where we had a lead in recognizing the problems, that there is today a need for action on the part of the government—not for cosmetics or smokescreens but for meaningful action. That is why this bill is a fraud in so many ways and is so deficient in attempting to live up to the expectations created by the government.

Two hundred years ago William Pitt described the rights of the citizens in those colonies still under English rule this way:

> The poorest man may in his cottage bid defiance to all the force of the Crown. It may be frail, its roof may shake, the wind may blow through it, the storms may enter but the king of England cannot enter. All his forces dare not cross the threshold of the ruined tenement.

What Pitt said 200 years ago was that even at that time British law recognized the need to protect the right of the individual from encroachment by the state. I think if Pitt had been able to foresee the technological and governmental changes in the 200 years following his speech he would probably have mentioned a number of other areas where any poor man in his shattered cottage had a protection which we do not have today. He might have mentioned two centuries ago that

the king's forces could not bug private telephone conversations. Two hundred years ago we could not coerce information from individuals to fill statistical data banks. He would have mentioned 200 years ago that those clothed with authority could not burst into a citizen's home in the middle of the night under the authority of a writ of assistance; that the government could not establish blacklists based in part on information obtained from burgled private files; and that the forces of the government could not collect vast amounts of information from individuals to satisfy the voracious appetite of computer data banks.

● (2140)

In the 200 years which have elapsed since William Pitt's time the enormous growth of technology and the intrusiveness of the government have put in question the rights of the individual. The individual's standing in relation to his government is reduced, and our human rights are vastly diminished.

Let me deal specifically with a number of flaws in the bill. Before I do so, may I allude to the American privacy act of 1974. I think it is well worth while comparing the proposed legislation before us with the vastly superior legislation passed by the United States Congress. I wish to put on record the remarks of President Ford, made at the dedication ceremonies of the Stanford University Law School, Stanford University. The speech was delivered on September 21, 1975. Let me put on record what President Ford said with regard to retention of privacy. He said:

> Among the very first things we learned was that one of the worst offenders is the federal government itself.
>
> I don't mean improper or illegal invasion of people's privacy or constitutional rights by federal agencies or individual officials, which nobody condones, and which I will not tolerate as long as I am President of the United States. Rather, I mean threats to privacy which have resulted from laws duly enacted by past Congresses for very laudable purposes having wide public support and appeal.
>
> Many of these laws, with today's technology, cumulatively threaten to strip the individual of his privacy or her privacy and reduce him to a faceless set of digits in a monstrous network of computers. He has not only no control over this process but often has absolutely no knowledge of its existence.

When President Ford signed the privacy act of 1974 White House officials pointed out that it was then possible to identify some 6,000 separate American federal record systems which kept data about American citizens. We do not know how many personal record data systems containing information about individual Canadians operate at the federal level. The government has never catalogued them. I have attempted to secure such information by putting questions on the order paper, but the government has never published a comprehensive list of data banks in Canada.

I now wish to quote a short passage from "The New Despotism", by Lord Hewart of Bury, former Lord Chief Justice of England. The book was published in 1929; nevertheless, what the learned author had to say is still relevant. The author points out how a parliamentary system can be turned into a despotism. I wish to quote two of the points he raises, as follows:

> Two main obstacles hamper the beneficent work of the expert. One is the sovereignty of parliament, and the other is the rule of law.

The author then explained how the beneficent bureaucrat can turn the parliamentary system into a despotism. He must:

> (a) get legislation passed in skeleton form; (b) fill up the gaps with his own rules, orders, and regulations; (c) make it difficult or impossible for parliament to check the said rules, orders, and regulations; (d) secure for them the force of statute; (e) make his own decision final; (f) arrange that the fact of his decision shall be conclusive proof of its legality; (g) take power to modify the provisions of statutes; and (h) prevent and avoid any sort of appeal to a court of law.

I invite the minister to examine that prescription for turning the parliamentary system into a despotism. I suggest that the learned author's remarks could well apply to Bill C-25, for here again we see the government's proclivity for passing legislation which gives power to legislate by regulation without the necessity of bringing those regulations before parliament. The tremendous discretionary power this legislation would give to the executive is shocking. There is power to create secret data banks containing identifiable information about individuals. There is also a provision which would except such data banks from the provisions of the bill, rudimentary as they are, and deprive average citizens of basic human rights.

Other hon. members have mentioned clause 55 which allows any minister to decide at his own discretion whether any particular data bank is to be included within the provisions of the bill. If he feels that the disadvantages of inclusion outweigh the advantages, there could be an exclusion.

Last Friday, when introducing this bill on second reading, the minister said something which I hope he now regrets, because what he said was an abomination. As reported at page 2978 of *Hansard* the minister said:

> There are, however, certain differences which lead me to believe that the protection afforded under this bill of the rights of Canadians with respect to abuse of their personal information in government banks is effectively greater than the rights of Americans.

I can think of no more flagrant example of a statement which can only mislead Canadians about the true nature of the legislation the government is presenting. This bill, unlike the American legislation, make no provision about the sort of information which is to be gathered about an individual. The American legislation specifically defines the type of information about an individual the government's data-gathering machines may acquire. Specifically, the American legislation outlaws information about an individual's use of the first amendment, to do with freedom of speech, to ensure that there is no political surveillance of individuals. Surely, above all, a bill dealing with the protection of the privacy of individuals should define the classes of information about individuals which may be gathered and stored, and proscribe the gathering of information which is not to be used for legitimate purposes or is no longer timely.

Nowhere does this bill provide for the purging of data files, for the removal of information which is obsolete, for the removal of information which can only be damaging to an individual. I think it is important to consider this point.

For the benefit of the Minister of Justice I shall read an excerpt from the publication entitled "Databanks in a Free Society", a project of the Computer Science & Engineering

Board of the National Academy of Sciences of the United States, under the directorship of Alan F. Westin. The director is acknowledged as being one of the foremost experts in the world on the subject of protection of privacy. I quote from page 349 of the project as follows:

> First, in terms of privacy, a general policy should be to extend the zones of personal and group freedom from compulsory data collection so that matters that ought not to be considered in making decisions about individuals do not become part of the formal records of all. In this sense, privacy is the primary civil-liberties issue, since both confidentiality and due-process questions disappear if the data are not gathered in the first place, or once they are destroyed. Not only should the need for and relevance of specific items of personal data have to be established in positive terms but serious consideration should be given to whether some entire record-keeping programs deserve to be continued at all; this was the basic question raised about the army's domestic intelligence watch over civilian political activity in the late 1960's. A further consideration where the need for collecting data is at issue is whether records should be retained beyond their period of likely use for the purposes for which they were originally collected.

Surely the government ought to have had such considerations in mind before it introduced this legislation.

I have mentioned some of the exceptions in the bill, some of its omissions as well as the sweeping powers granted to the executive branch of government for making arbitrary decisions. It would be worth while to illustrate with examples the problems having to do with federal as well as provincial data systems.

● (2150)

How many Canadians are aware of the fact that the federal government is in the business of compiling and selling computerized mailing lists for use by commercial firms, allowing those firms to send junk mail to individuals served by the government? The Canadian Post Office is in that business.

For every federal constituency which does not have a commercial postal directory available, the federal government will make available for $5 a list of every householder in the constituency, with his or her address and occupation. What sort of record is that for a government which professes to be in favour of protection of personal privacy?

The provincial governments are no better. Most departments of transport sell the motor vehicle registration lists. Anybody can buy an individual's name if that individual is registered as owner of a motor car.

An editorial in the *Globe and Mail* a year ago pointed out that the Ontario government is selling the driving records of individuals to insurance companies, for example, or any one willing to spend $3 to buy them. This in itself poses a very serious threat to individual privacy.

I want to cite another example which is particularly important in this debate. It illustrates the way in which this ministry has acted in terms of protection of privacy. Some of my colleagues alluded to the incident of blacklisting where secret files were constructed. The government still denies they exist despite the fact that the hon. member for Central Nova (Mr. MacKay) has been able to obtain them. These files were collected and used to damage the careers of some civil servants. These civil servants have never had a chance to face their accusers, never had a chance to have due process in answering the allegations made against them.

I want to cite another example, although the one dealing with the blacklist is very worth while. We should look at that. When you look at the exemptions in the bill, the blacklist and the material leading up to it would be specifically exempted from the provisions of the bill. The blacklist would have remained secret if it had not fallen into the hands of the hon. member for Central Nova.

There is a further example which shows the colours of this ministry. I want to quote from the prince in exile, the hon. John Turner. When he was minister of justice in 1970, he discovered the importance of freedom of information and privacy. He delivered a speech entitled "Twin Freedoms: The Right to Privacy and the Right to Know." What a remarkable record for this minister, who was the most secretive of all the cabinet and would not disclose to the people his plans for the Canadian economy, to have discovered so many years before the value of freedom of information. I want to deal specifically with his attitude toward privacy. I quote from Mr. Turner's speech:

> I start from the proposition that the right to privacy is the most complete of human freedoms and that any encroachment on that right should be allowed only if society has proven that encroachment is necessary.

Further he said:

> Arbitrary practices, inscrutable executive decisions, can only find acceptance where there is, in fact, no other means or no other way. It must be our constant goal, our continuous endeavour, to circumscribe and eliminate whimsy and caprice in our search for justice.

I hope the Minister of Justice will compare those words which were delivered by his predecessor, the hon. John Turner, with Mr. Turner's actions in office, and with the actions of his immediate predecessor who is now Minister of Transport (Mr. Lang) in the case of Bill Buchanan, the former chairman of the Anti-Dumping Tribunal.

On May 4, 1972, the former minister of justice and attorney general launched a campaign to impeach Bill Buchanan, the government's own appointee to the chairmanship of the Anti-Dumping Tribunal. On November 27, 1975, the Supreme Court of canada, without a dissenting voice, threw out the case of the federal government. Let me explain the circumstances leading up to Mr. Buchanan's dismissal.

Prior to being appointed chairman of the board, Mr. Buchanan served in private business and in some cases represented Canadian domestic glass manufacturers. At the end of 1969, a complaint by two Canadian glass manufacturers that sheet glass was being dumped unfairly in Canada from other countries reached the Anti-Dumping Tribunal.

The Chairman of the Anti-Dumping Tribunal removed himself from any decision that was made, stood aside and allowed two other members to go ahead and make the decision. After the decision was made that the dumping in Canada should be banned, he approached a solicitor to get legal advice as to how the decision should be signed. The advice he received initially was that all three members should sign the document. For two years, nothing happened. Suddenly in 1972 federal tax inves-

tigators swooped down on Mr. Buchanan, seized records dealing with his income tax returns and his personal files, ostensibly to do an audit of his tax returns.

I quote from the Montreal *Gazette* of December 20, 1975:

On May 4, 1972, Otto Lang as minister of justice and attorney general, moved through the courts to quash the Anti-Dumping Tribunal's glass case decision of two years earlier.

The government alleged that Mr. Buchanan had a conflict of interest in this instance. The article goes on as follows:

The justice department's file on Buchanan was relayed to John Turner, then minister, of finance and the cabinet minister responsible for Buchanan's tribunal. Turner asked for his resignation, effective immediately.

Buchanan complied.

Subsequently this case was taken to the Supreme Court of Canada where it was thrown out by a unanimous decision. Chief Justice Laskin, who wrote the decision, pointed out it was a travesty that should not have been allowed to take place.

Perhaps I could call it ten o'clock, Mr. Speaker. I would like to renew this at a later date.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

GOVERNMENT ADMINISTRATION—REQUEST FOR COMMITTEE STUDY OF ALL GOVERNMENT CONTROLLED-CORPORATIONS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, we have all watched with varying degrees of astonishment the investigations of the Standing Committee on Public Accounts into AECL's foreign dealings—astonishment that such secretive and expensive tactics are needed to lose money on reactor sales, and astonishment that a Crown corporation could operate in such a loose and arbitrary fashion. While we all respect the independence of Crown corporations we must also respect the concept of value for public money, no matter what the status of the agency through which that money is dispensed.

We can be thankful that parliament has an Auditor General with the resources to tell us when something in the system has gone badly wrong, and we sorely need a comptroller general to catch as many potential difficulties as possible before they occur. But for parliament the information supplied by the Auditor General is of little use unless there exists a suitable means of delving into his findings or complementing them with committee hearings.

We have the Public Accounts Committee to allow us to discuss the Auditor General's report, but that committee is not, as it should be, in any position to support the Auditor General in a concrete way, or to provide a forum which will add to the public's knowledge and understanding. At present the committee's scope seems to be limited by the degree of co-operation exhibited by those being examined and that is more likely to lead to farce than fact. What use is it to a committee of the House if the head of a Crown corporation or a department simply says, this when things get a bit hot, that he does not feel able to release or give the requested information?

I therefore asked the Prime Minister (Mr. Trudeau) if additional powers could be considered for the Public Accounts committee, and received the usual vague brush-off. It should not be as easy as it is now to refuse information to a committee of this House. The Public Accounts Committee should have full powers to call for persons and papers, and there should be an obligation for those persons and papers to be produced.

● (2200)

If documents or testimony involved in a hearing are of a confidential nature, the sessions should be in camera with the minutes of proceedings edited. Committees at Westminster dealing with confidential or secret information sometimes do this. If co-operation is not forthcoming the committee should be able to report to the House, as it can now, but with a guarantee that its report will be speedily and decisively dealt with. The government could still side against the committee as must be its ultimate right, but it would have to do so openly and could not frustrate the committee by inertia.

It would also assist the Public Accounts Committee if the Public Accounts contained more corporate data and a summary of it, as suggested by the Auditor General in paragraph 5.24 of his 1976 report.

We should also devise a better method of examining witnesses to permit proper cross-examination, and the chairman should be empowered to chop off time-wasting and irrelevant answers. The committee has too much to do in a short time to permit a witness to be deliberately long-winded. Moreover, it is a committee with unique responsibilities to parliament and to Canada.

In answering me on Monday, the Prime Minister talked about "the traditions of our parliamentary system". It is marvelous the way spokesmen for government are able to laud the flexibility of the parliamentary system when they want to rewrite the rules to eliminate the rights of opposition parties, but are able to propound inviolable principles and conjure up threats of congressional republicanism when their own infallibility and authority might be questioned. No doubt we are about to hear more of this bunk from the parliamentary secretary. God knows, it should be obvious that if parliament is to remain even as relevant as it is now, my proposal which I intend to advance formally to the government House leader, at the suggestion of the Prime Minister, is not excessive. It is in keeping with the best traditions of parliament in an age that is becoming more complicated and difficult. I want the government to be more forthcoming.

Adjournment Debate

Mr. Jacques-L. Trudel (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I doubt very much that what I am about to say will satisfy the hon. member for Grenville-Carleton (Mr. Baker). He has already qualified what I am going to say as being bunk.

Let me try to situate the hon. member in a proper context. I think he is showing a lot of disrespect for all the members of the Public Accounts Committee. I wish that if he had the time he would come to see what takes place in that committee before criticizing and characterizing what I have to say as bunk. Members of his own party, and of all parties, have spent many hours conscientiously engaged in this work. I should like him to have been present this morning when a code of ethics was supplied to us following questions asked by various members present.

The hon. member complains that the government has been restrictive. He says the tactics it has been using have been restrictive. I doubt very much that he has taken the time to read the minutes of the committee.

Mr. Baker (Grenville-Carleton): Every word.

Mr. Trudel: The question whether the committee has received some of the documents it was seeking should be examined very closely. I think we have been supplied with documents, in some cases with too many documents. We have asked to see certain contracts which are confidential in nature. We have asked the Auditor General. I think the hon. member has shown little respect for the Auditor General in his remarks because he has been co-operating and has been instrumental in helping the work of the committee, not hindering it. All the members have been co-operating and have been seeking some information. There is a report to be submitted to the committee, and I am sure there is frustration on all sides as to certain aspects of the work we are doing presently.

There is one aspect with which the hon. member is concerned. He is seeking to change some of the work which is being done. I will fully co-operate and I hope that all of us will achieve what he is seeking. The fact is that we can proceed in camera at the present time. It has not been done so far, but I am sure we will be doing so in the near future at the call of the Chair, whenever he asks us. The steering committee, as I said, has considered that. We will have to put before the House a report.

This is a very extensive study which has been placed before us. We have encountered evidence that there need to be changes in the rules. I feel there has been no hindrance by any member either of the cabinet or of any party at the present time, so I do not know what the hon. member calls "bunk", but I do feel that the chairman and the committee members have co-operated to get what we are seeking at the present time.

[Mr. Baker (Grenville-Carleton).]

TRADE—GUIDELINES TO COMPANIES WITH REGARD TO INTERNATIONAL BOYCOTTS—REQUEST FOR EXPLANATION

Hon. Herb Gray (Windsor West): Mr. Speaker, on October 21 last year, the Secretary of State for External Affairs (Mr. Jamieson) made a statement on the government's policy on international boycotts. It read in part as follows:

> The government will take measures to deny its support or facilities for various kinds of trade transactions in order to combat any discriminatory effects which such boycotts may have on Canadian firms and individuals . . .
>
> Canadian firms may decide nonetheless to agree to certain boycott clauses and forego Canadian government support for the projects concerned. All Canadian firms, however, whether they accept boycott clauses or not, will be required to report all instances of their complying with boycott provisions. Information obtained from such reports will be made available to the public.

The two measures that the minister said the government would take to implement this policy did not go into effect on October 21; instead it was three months later, on January 21 of this year, that the deputy minister of industry, trade and commerce finally issued guidelines to his departmental officials for their implementation. From a reading of these guidelines, however, it would not appear that the government has done what it promised to do in its October 21 statement. That statement clearly says that all Canadian firms will be required to report all instances of their compliance with boycott provisions. But the guidelines say that only those firms that "request" departmental support for transactions "where boycott requests have been agreed to" will be reported.

Firms will surely know, Mr. Speaker, that they will not get support for such transactions, and they will not request such assistance in the first place. So, as a practical matter, the reporting system set out in the guidelines has no real meaning or substance. What is disturbing is that it would appear that through these guidelines the government has modified, has backed away from, the commitment that it made in its October 21 statement. That statement said all firms, not just those that approach the department and request its help, would be required to report boycott related transactions.

The guidelines appear to narrow down, to draw back from, what most observers thought the government was promising in its October 21 statement in another significant way. They say that government supporting services will be denied only where boycott clauses "have been agreed to". But most government supporting services in the trade area are provided before agreements are made. What the guidelines are saying, therefore, is that, in spite of the government's statement of last October 21, the government will be providing most of its services as before. It will be circulating trade opportunity information requiring boycott compliance. It will provide market information, promotional services, all of the facilities of its trade commissioners, until a contract with a boycott clause is finally signed and agreed to.

In fact, Mr. Speaker, very few of these kinds of government support services come after an agreement has been signed. There is no need for them after that point. This is not what the public thought the government was going to do. The words of the statement last October 21 create the impression that these services would be withheld for activities leading up to the

signing of the boycott related transaction as well as those after its signing. Mr. Speaker, unless this is the case that part of the government's statement about withholding services has very limited meaning and value.

If the government is serious about what it said in that statement in connection with condemning international boycotts interfering with Canadian trade with friendly countries, and interfering with business and other relations between Canadians in this country, it must implement the two measures that it announced last October 21 in the fullest possible way rather than in the most limited, narrow, and meaningless way. But, more important, it must act on the findings of the Citizens' Commission on Economic Coercion and Discrimination, a report demonstrating the impact of the Arab boycott in particular in Canada, a report, by the way, to which the government has not yet formally responded. It must put into effect legislation of general application applying to all businesses, whether or not they need government support. If it does not do so, as the report points out, it is undermining its own policy on international boycotts. It is allowing foreign governments to extend their discriminatory law into Canada.

● (2210)

Surely the essential tasks of our national government are to protect our country's sovereignty and to afford the equal protection of our laws to all residing within our borders. Unless it brings forward all the measures necessary to make fully operative its October 21 policy on international boycotts, the government will not be carrying out these responsibilities in the way expected by Canadians generally.

I think that Canadians generally would join me in calling on the government for full and meaningful action to put its policy statement of October 21 into effect in a way that really means business and protects Canadian rights and Canadian sovereignty.

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am here this evening to respond on behalf of the Minister of Industry, Trade and Commerce (Mr. Gillespie) and his parliamentary secretary. I want to begin by commending the hon. member for Windsor West (Mr. Gray) for the obvious sincerity and conviction with which he expressed his views this evening.

The procedures laid down in the deputy minister's instructions of January 1, 1977, are consistent with the policy of the Canadian government on international economic boycotts.

Through the instructions, the Department of Industry, Trade and Commerce is ensuring that its services are withdrawn or withheld in cases where a Canadian firm or individual has agreed to international economic boycott provisions of a type which contravene the government's policy on such boycotts.

The reporting requirement under which the department would publicize the names of companies or individuals from whom services and support have been withdrawn or withheld for contravening the government's policy on boycotts is a responsible and practical way of reinforcing the government's policy in this area. To go beyond these measures would not, in fact, give any greater consequence to these measures and could jeopardize the development of normal trade which did not contravene government policy.

The Acting Speaker (Mr. Ethier): Order, please. A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.16 p.m.

HOUSE OF COMMONS

Friday, February 18, 1977

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

PROPOSAL TO OUTLAW UGANDA IN VIEW OF PRESIDENT AMIN'S ALLEGED CRIMES—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity to move, seconded by the hon. member for Hamilton West (Mr. Alexander) that on the basis of information already available, it being apparent that President Idi Amin of Uganda and his associates have committed a revolting crime against civilization in the murder of Archbishop Janani Luurum and two of his ministers, and that this latest event being part of a continuous reign of terror and outrageous insane atrocities against Christians in particular, hundreds of whom have been shot and killed by gunfire by so-called security forces, I move:

That this House views with horror and condemns unreservedly Amin's crimes and believes that his country, so long as he is president, should be outlawed both in the United Nations and in the Commonwealth of Nations.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Pursuant to the provisions of Standing Order 43 the motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Mr. MacEachen: Mr. Speaker—

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Diefenbaker: So that it be perfectly clear, Liberal members are the ones who said no.

* * *

REGIONAL ECONOMIC EXPANSION

REQUEST FOR STATEMENT TO CLARIFY OPERATIONS OF METROPOLITAN AREA GROWTH INVESTMENTS LIMITED—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of the depressed state of the Nova Scotian economy and the need for maximum utilization of all resources to assist in overcoming regional disparity, and in view of the dismal and continuing failure of the Metropolitan Area Growth Investments Limited, that split-level, hybrid, crown venture capital agency, jointly funded by this government and the government of Nova Scotia, to the amount of $20 million nearly five years ago, I move seconded by the hon. member for Halifax (Mr. Stanfield):

That the Minister of Regional Economic Expansion make a statement on motions at the first opportunity to explain and clarify the operations of MAGI and inform the House and the country whether the minister has recommended and approved the multi-million dollar investment in a second-hand cruise ship to ply the waters of the Caribbean, and whether or not the continuing dispute between the minister and his predecessor and the Premier of Nova Scotia as to appointments of executive officers for MAGI has finally ceased.

Mr. Speaker: Such a motion pursuant to Standing Order 43 can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

* * *

URBAN AFFAIRS

ALLEGED FAILURE OF GOVERNMENT TO KEEP COMMITMENT TO AID URBAN TRANSIT—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I, too rise under the provisions of Standing Order 43. Considering that the Prime Minister promised three days before the 1974 election that a returned Liberal government would spend $290 million on badly needed energy-efficient urban transit, and considering that both the need to conserve energy and the financial burden of our municipalities have increased since then, I move:

That this House condemns the disgusting cynicism of the Liberal government glaringly revealed yesterday when the Minister of Finance casually announced that this additional election promise was dead.

● (1110)

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Baker (Grenville-Carleton): Macdonald said no. How would you like your wages frozen?

Mr. Fairweather: That's one more promise down the drain.

EXTERNAL AFFAIRS

APPROVAL OF ANNOUNCEMENT PRIME MINISTER WILL DISCUSS GARRISON DIVERSION WITH PRESIDENT CARTER—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under Standing Order 43, a motion which I believe will be acceptable in all parts of the House. I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House welcomes the announcement that the Prime Minister will discuss with President Carter, during his forthcoming visit to Washington, the Garrison diversion project in North Dakota, and further that this House unanimously endorses the stand the Prime Minister has said he will take to the effect that work on the Lonetree reservoir be deferred, pending a review of the whole project and of this country's concern over its effects on Canadian waters, particularly in Manitoba and Saskatchewan, which is being made by the International Joint Commission.

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

Some hon. Members: Agreed.

Mr. Speaker: Order, please.

Mr. Baker (Grenville-Carleton): Mr. Speaker, who said no?

Mr. Guay (St. Boniface): We agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I understood that there was agreement.

Mr. Speaker: Order, please. I am prepared to put the question again. Standing Order 43 requires the unanimous consent of the House before the presentation of such motion. Is there unanimous consent?

Some hon. Members: Agreed.

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

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I am certain that all members of the House, all Canadians in general and Manitobans in particular, welcome the telegram sent to the Liberal leader of Manitoba, a non-elected member, announcing that the Garrison diversion would be put on the agenda for discussion. Mr. Speaker, I find it strange that the Prime Minister (Mr. Trudeau) chose not to make that announcement in this House; and, further, when asked direct questions by my colleague the member for Lisgar (Mr. Murta), by the hon. member for Winnipeg South Centre (Mr. McKenzie) and myself, refused to answer.

Some hon. Members: Order.

Mr. Baker (Grenville-Carleton): The motion is debatable. Look at the Standing Orders.

[Mr. Fairweather.]

Mr. Whiteway: The making of such an important answer outside this House is, Sir, a degradation of the rights of parliament.

Some hon. Members: Hear, hear!

Hon. Joseph-Philippe Guay (Minister without Portfolio): Mr. Speaker—

Mr. Fairweather: This is costing us $5,000 a word.

Mr. Guay (St. Boniface): Mr. Speaker, may I mention that the Prime Minister had previously made an answer in the House in this regard. It is unfortunate that the hon. member for Selkirk (Mr. Whiteway) was not present. I have made several representations to the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Horner: Now we know what you have been up to, Joe.

Mr. Guay (St. Boniface): The Prime Minister assured me that he would take the matter up with President Carter. For that reason, today we were in wholehearted agreement with the hon. member for Winnipeg North Centre (Mr. Knowles). We would not object to such a motion, because it had already been agreed that the Prime Minister would do exactly that.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I am pleased to hear the hon. member for St. Boniface (Mr. Guay), the Minister without Portfolio, or the minister "without", finally indicating what is his parliamentary role. I am concerned about one thing. Why was a burden imposed on the taxpayers of Canada in order to permit the hon. gentleman finally to speak to the Prime Minister? It should be made abundantly clear that the hon. member for Brandon-Souris (Mr. Dinsdale), the hon. member for Selkirk (Mr. Whiteway), the hon. member for Provencher (Mr. Epp) and the hon. member for Lisgar (Mr. Murta), have consistently over the years that this matter has been in issue been asking this government to do what they chose to announce through an unelected member of anything who happens to be a member of the Liberal party. The government did not even have the courtesy to send copies of that telegram to the members of this House from Manitoba. I am sure that includes the hon. member for St. Boniface (Mr. Guay) as well.

With regard to the project in, at least in the period of time that I have been here and according to the record I have read before that time, this matter has been dealt with extensively by the Canada-United States interparliamentary group year after year after year with some sympathy among congressmen and senators in the United States. The matter has been ignored by this government except through evasion.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): If the Prime Minister (Mr. Trudeau) is going to speak to the President of the United States with regard to this very important matter, a matter which I class beyond an irritant, one that affects the environ-

ment of part of Canada and one in which there is still time to stop it, I hope the negotiations are conclusive.

I hope that the conversations, which have been heralded in a book this thick with regard to press briefings, go far beyond that in terms of the legitimate concerns between our two countries because this is much more than a public relations junket. The Prime Minister is meeting a new President, a new administration, an administration which has exhibited some friendly feelings to the nations north of it and to the south. This is a great opportunity for us.

The whole project discussed in this motion is only the first. Therefore, the Prime Minister goes to Washington with the goodwill of this House. However, he also goes backed by some expectations of this House and the people of Canada. It is our hope that those expectations are not false and ill-founded.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, it is not my intention to speak at length on this motion to which has been indicated the unanimous consent of the House. I simply want to say that it was quite clear that in responding to an inquiry about whether this matter was going to be raised that neither the Prime Minister (Mr. Trudeau) nor myself had any intention or thought of not doing it within this chamber.

As I have said many times, responses have repeatedly been made by us to questions. I wonder if the hon. member, who criticizes us for replying through a spokesman of a political party, would say that he is any less to be replied to than the hundreds of other people in western Canada to whom we have also made replies. There was no specific answer other than one which I, personally, have sent to many, many people including members opposite.

Mr. Whiteway: Why did you release it to the press?

Mr. Jamieson: If the hon. member will look at the media for the past three or four days, he will see there have been dozens of stories about various topics which are to be discussed during the meetings in Washington. I really do not believe there is much by way of substance in that particular complaint.

All I want to say at the moment is that I am delighted, as I am sure the Prime Minister will be, to have the unanimous support of the House on this issue. Clearly it is one we have been discussing in terms of planning for some time and it will have high priority. However, in fairness it is as well to note that work on this project and representations concerning it have come from members in all quarters of the House and there is general concern throughout Canada for it—

• (1120)

An hon. Member: With the exception of the government.

Mr. Jamieson: An hon. member says "With the exception of the government". I would remind him that the IJC has had a reference from the government on this matter for some time, that a group from the IJC has made a finding which it supports. I will conclude by expressing the hope that when we go to Washington on Monday of next week the United States authorities will be receptive to what I assure hon. members will be the strong representations made.

Some hon. Members: Hear, hear!

Mr. Speaker: Order. Before carrying on with the debate I might indicate to hon. members that this sort of proceeding always places the Chair in a dilemma. A motion pursuant to Standing Order 43 of course requires the unanimous consent of the House only for its presentation for debate. Acccordingly, when consent is given and the motion is put, it is before the House as a debatable motion, and that debate is now under way. Only on rare occasions does such a debate occur, but when it does it stands a risk—and it is no longer a risk but a reality—of running into conflict with Standing Order 15, particularly paragraph (2) of that order, which reads as follows:

> Not more than two minutes after the reading of prayers, the business of the House shall commence. Members, other than Ministers of the Crown, may propose motions pursuant to Standing Order 43 at this time. Not later than 2.15 p.m. or 11.15 a.m., as the case may be—

And there we have the application directly to this morning's proceedings—

> —oral questions shall be taken up.

And oral questions are to be concluded by 12 noon. Obviously, it is in our interest, when a few remarks are likely to be made by way of a very short debate, that I should exercise some leniency with respect to the beginning of the question period. As I say, the motion is a debatable one, but I am nevertheless under an obligation to proceed to questions in accordance with Standing Order 15. In the circumstances, I feel I should begin the question period now and listen to argument later as to whether we should resume the debate at the end of the question period.

ORAL QUESTION PERIOD

[*English*]

URBAN AFFAIRS

ALLEGED FAILURE OF GOVERNMENT TO KEEP COMMITMENT TO AID URBAN TRANSIT—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to put a question to the Minister of Finance. It arises out of a press conference yesterday at which the minister solemnly laid to rest the government's undertaking made during the 1974 election campaign to assist in the development of urban transportation. As a matter of fact, on June 5, 1974, the Prime Minister, referring to that promise, said that while other election promises were just election promises, Liberal promises would not be pie in the sky.

My question to the minister, who now runs the risk of being buried just as that promise was buried yesterday, is this. What

does he have to say to the one in every four of the people of this country who have to depend on urban transit to get to their places of employment and to their residences in view of the reneging yesterday of this solemn undertaking made by the Prime Minister in 1974 to provide full cost of developing and building urban transit facilities in this country?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would remind that group to which the hon. gentleman refers that there has been a widespread expression of concern by the colleagues of the hon. gentleman and by many other people in Canada regarding the rate of inflation in Canada and that as part of the anti-inflation program the rate of growth of expenditures of the federal government is to be progressively reduced over a period of time. The day before yesterday my colleague, the President of the Treasury Board, tabled estimates, and I think the hon. member for Vegreville agreed with the notion that we should reduce federal expenditures. Indeed, arriving at that conclusion has been awkward and hard, as has been the choice in many other areas, the federal government will not be able to extend its assistance to municipalities which we had hoped to assist in earlier years.

Mr. McGrath: A supplementary question, Mr. Speaker. I would remind the minister that the rate of inflation in 1974 when this promise was made was considerably higher than it is now; we had double digit inflation at that time, but that was not a consideration when the Prime Minister made the promise. In view of the fact that the minister's colleague in charge of housing and urban affairs is now in Edmonton in pursuit of an attempt to get agreement between the provinces and municipalities to resume tri-level discussions of the new policies, and in view of the fact that the situation is urgent, does the minister intend to put in place, to assist municipalities and hard pressed metropolitan areas of this country which embrace 75 per cent of the population, measures to relieve the pressures on them of this population growth?

Mr. Macdonald (Rosedale): Mr. Speaker, in reply to his first remarks I would remind the hon. gentleman that the rate of inflation is indeed down, and down in part because of the decision of this government to exercise that kind of economic restraint. I find it a rather peculiar priority which the hon. gentleman has; he would sooner have 11 per cent inflation and an increase in government expenditure.

Mr. McGrath: A final supplementary question, Mr. Speaker. It is precisely because the rate of inflation is down that the minister should discharge this solemn promise made in 1974. In view of these studies and the projection arising out of these studies which were made by his colleague, the Minister of State for Urban Affairs, that by the turn of the century half of the population of this country will be living in three large metropolitan areas, thereby putting increasing pressures on urban transportation facilities, and in view of the substantial energy savings of $5 billion estimated over the next 25 years if we can increase our urban transit capacity in this country, would the minister take a look at these studies by his colleague, the Minister of State for Urban Affairs, and his colleague the minister of energy, which are now underway and, in consultation with them, come up with some kind of cost-sharing program to meet the serious problem which is facing our cities and our provinces?

[Mr. McGrath.]

Mr. Macdonald (Rosedale): Mr. Speaker, we are about to deal today with a provision having to do with the cost-sharing program whereby, as part of this government's priorities, we transfer fiscal room and responsibility to the provincial governments for the purpose of discharging provincial programs, such as those dealing with urban transit. In that sense we are making substantial financial room available to the provinces. In my own province this has been the obligation of the province of Ontario, and under these particular circumstances we think it reasonable that the provinces should continue as they have in the past to assist in the evolution of urban transit.

So far as transportation is concerned I go back to my basic point, that we are in the process of reducing the share of the gross national product taken by the federal government and this, of course, inevitably involves a reduction in major spending programs.

REASON FOR GIVING PRIORITY TO AIRPORT CONSTRUCTION OVER URBAN TRANSIT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is also for the Minister of Finance and has to do with priorities. Given that the federal government has invested massive amounts of public funds in air transportation facilities and projects, such as the white elephant at Mirabel and the stillborn Pickering proposal, which will serve at best only 10 per cent of the Canadian population, would the minister indicate why priority was given to these projects which presumably has resulted in the minister's having to make his statement yesterday that there is now no money to invest in urban transportation which could serve 75 per cent of the Canadian population?

● (1130)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the provision of air facilities to Canadians has been the responsibility of the Government of Canada, and indeed, hon. members made reference to Pickering. It may well be that in time the present volume of traffic in and around Malton airport will require a further extension of facilities in my particular community. In that sense I entirely support the actions taken by the Minister of Transport and his predecessors to provide better facilities to the Toronto centred region, and in that regard I have no difficulty at all in defending the decision to acquire the land for Pickering. I hope that the provincial government in due course will realize some of the difficulties that the community will have to suffer by not having adequate air and other facilities.

SUGGESTED SALE OF PICKERING AIRPORT SITE AND CN TOWER AND INVESTMENT OF PROCEEDS IN URBAN TRANSIT

Mr. Sinclair Stevens (York-Simcoe): Again I direct my question to the Minister of Finance. As I understood that railways were also a federal responsibility and as the current estimated cost at Pickering as it now stands is $110 million and the CN Tower has cost $60 million, would the minister indicate if any study has been completed or undertaken on the feasability of selling either or both of these projects with a view to investing the proceeds so as to relieve the current chronic commuter congestion in the Toronto area?

Hon. Donald S. Macdonald (Minister of Finance): One of the conclusions that we have arrived at—and it seems to me to be a sensible one—is that one should entrust the management of CNR to the president and the officers of that corporation and let them manage. As a management decision, they have chosen to go ahead with the CN Tower, and I for one as Minister of Finance, as well as my colleagues, do not propose to lean over their shoulder and give them management direction. I say: if you have a good manager, let him manage.

Mr. Stevens: Mr. Speaker, has the minister ridden on the commuter train at rush hour going into the Toronto area so as to experience at first-hand the congestion on that service and, if so, how can he say that priority should not be given?

Some hon. Members: Oh, oh!

An hon. Member: He has a chauffeur.

Mr. Macdonald (Rosedale): The hon. gentleman is expressing a grievance. It is a condemnation which I think he should address to his friends at Queen's Park.

Mr. Hnatyshyn: Trudeau promised it.

An hon. Member: And Sharp did, too.

PROPOSAL TO USE OIL COMPENSATION FUND TO AID IN DEVELOPMENT OF URBAN TRANSIT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance as well. Since the Prime Minister in his great election promise of 1974 made a specific reference to the need for more energy-conserving forms of transportation, and since the federal government has saved more than $300 million as a result of the excessive revenue over payments that came in during 1976 from the special tax for oil compensation payments to Atlantic Canada, if we are to take the government's promises seriously, why will the federal government not allocate that $300 million to pay for the $290 million election promise it made in 1974 in the field of rapid transportation?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think it has been a sound policy of the government, suggested, among others, by the Glassco Commission, in which we have sought, in the administration of public funds, to avoid earmarking sources against expenditures. In this regard we have reached the conclusion that we have some priorities in discharging public responsibility and we have made a decision to do that. I would remind the hon. gentleman that while it is true, under programs which have protected the eastern Canadian market against a cost increase we have been able to keep the costs down and have not had to meet the heavy expenditures because of a lower oil price increase than we anticipated. One cannot be certain about the future and, indeed, where an oil price increase might take us.

WITHDRAWAL OF COMMITMENT TO PAY PART OF CAPITAL COST OF RAPID TRANSIT LINE TO SCARBOROUGH

Mr. Edward Broadbent (Oshawa-Whitby): Since the general manager of the Toronto Transit Commission has indicated that because the federal government has reneged on its commitment to pay 25 per cent of the capital costs on a proposed rapid transit line to Scarborough the Toronto Transit Commission will not be able to proceed with the planned project, can the minister say if the withdrawal of the commitment to pay 25 per cent of the cost is a complete withdrawal from financial responsibility, or will the federal government put up some money to pay the cost for this needed facility and, if so, how much?

Hon. Donald S. Macdonald (Minister of Finance): As I indicated yesterday, we have appropriated substantial funds for each of the provinces for the purpose of a range of priorities with regard to urban transportation, urban transit, commuter traffic, rail relocation, and level crossing improvement. As I indicated to the chairman and the mayors of metropolitan Toronto yesterday, we were really seeking guidance from those gentlemen as to how those priorities should be indicated. It is, of course, a matter for decision also with the provincial government as to the allocation of those priorities, but I think that if the provinces choose, for example, to seek assistance in urban transit from the funds now made available rather than improvement in grade separations, indeed my colleague, the Minister of Transport, will have to give that his serious consideration.

EFFECT OF WITHDRAWAL OF COMMITMENT TO AID IN DEVELOPMENT OF URBAN TRANSIT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I ask the Minister of Finance, in the absence of the Prime Minister, considering that the municipal planning of virtually every city from St. John's in the east to Vancouver on the west coast has been fundamentally put in jeopardy by this government's decision to renege on its 1974 election promise, does the minister not agree that not only has the government upset municipal planning because of this decision but it has also contributed substantially to public cynicism about politicians in this country?

Some hon. Members: Liberal politicians.

Mr. Broadbent: The government is completely withdrawing from what were allegedly serious election promises.

Hon. Donald S. Macdonald (Minister of Finance): We have a federal system of government, and the provincial governments are given very full powers, and by the arrangements, for example, that we will be debating today they are given substantial fiscal means to discharge this particular responsibility.

Some hon. Members: Oh, oh!

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[*Translation*]

ELECTION EXPENSES

ALLEGED REASON FOR DELAY OF LIBERAL PARTY REPORT OF CONTRIBUTIONS

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I would like to direct a question to the Minister of Manpower and Immigration.

It has to do with the report on contributions to political parties. At the end of December 1976, I obtained from Mr. Hamel's office all reports on contributions to political parties for the year ending December 31, 1975, except that of the Liberal party. I have been told that it will not be ready before the end of June 1977. Could the minister inform the House whether this is a normal situation, what are the reasons for such a delay and is there in the law a deadline for such presentation. The reason I ask this question is that I need the report at the end of May 1977 at the latest.

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, this is the responsibility of my colleague, the Minister of National Revenue (Miss Bégin).

Mr. Gauthier (Roberval): Mr. Speaker, I thought it was the Minister of Manpower and Immigration because all the correspondence I received was signed by that minister. I apologize, and I shall direct my question to the Minister of National Revenue in the hope that she will give me an answer or investigate.

Hon. Monique Bégin (Minister of National Revenue): It will be a pleasure for me to do so, Mr. Speaker.

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[*English*]

URBAN AFFAIRS

EFFECT OF DEVELOPMENT OF URBAN TRANSIT ON INDUSTRIAL POLICY AND ENERGY CONSERVATION

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct a question to the senior member in the cabinet from Toronto, the Minister of Finance. Does he not believe that in rejecting the 1974 promise he has cast aside a good industrial policy for the country, and does he not believe that some kind of a direction towards an urban transit system in Canada would be a good measure for saving energy?

[Mr. Broadbent.]

• (1140)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as I have indicated previously, it is not an either-or question in so far as either the saving of energy, the convenience of urban living or, indeed, with regard to industrial policy. There are substantial resources and responsibilities at the provincial level for the purpose of carrying out these kinds of improvements in our community, and I see no difficulty in their proceeding with the policy.

Mr. Horner: We on this side of the House are greatly concerned about the priorities of the government. It seems to have $60 million to buy Canadair and $40 million to buy de Havilland; why does the government not have some money to direct toward the system which the people are using and really want to improve?

Mr. Speaker: Order, please. There is an argumentative nature to the question. The hon. member for Don Valley.

IMPORTANCE OF DEVELOPMENT OF TORONTO HARBOUR FRONT IN RELATION TO RAPID TRANSIT SYSTEM

Mr. James Gillies (Don Valley): Mr. Speaker, my question is also for the Minister of Finance. I would like to ask him why one election promise, namely the harbour front, was kept in Toronto, whereas this one has been thrown out. Is it the position of the government that the harbour front is more important to the people of Toronto than a rapid transit system?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I point out to the hon. gentleman that the acquisition of the harbour front was achieved before the time, and with respect to our expenditures, we set ourselves upon the course—

Some hon. Members: Oh, oh!

An hon. Member: Mr. Phoney.

Mr. Macdonald (Rosedale): The funds for the harbour front were expended before we set on the present course of reducing government expenditures.

An hon. Member: This must be very embarrassing for you, Don.

* * *

INCOME TAX

SUGGESTED EXTENSION OF TAX DEDUCTION FOR THE DISABLED

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is directed to the Minister of Finance. In view of special considerations which have been granted to people in wheelchairs, people who are bedridden or blind—and that consideration is a special tax deduction of $1,420—would the minister comment as to whether he finds this equitable since two of those categories, those who are blind and those who are in

wheelchairs, are able to work? Does he not feel that there should be an extension of the concept of "disabled" so that other people who are unable to work can have the same kind of tax deduction?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the hon. gentleman is asking essentially the kind of question which should normally be dealt with in a budget. I will take his question as a representation.

* * *

NATIONAL DEFENCE

DEFENCE RESEARCH—STATUS OF PROPOSAL TO CONSTRUCT FACILITIES IN WINNIPEG

Mr. Jack Murta (Lisgar): Mr. Speaker, I would like to direct a question to the Minister of National Defence, and it is in connection with Manitoba's concern about an announced intention not to proceed with construction of a defence research establishment in Winnipeg. I would like to ask the minister what the status of that particular establishment is at the present time, since it was indicated to Manitobans by the former minister of national defence that this would be one of the priorities the government would be looking at.

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, that project is in temporary suspension, primarily because I want to take a look at the rationalization of the scientific research and development and industrial processes in the Department of National Defence in relation to our other industrial efforts. I think we want to look for things which will serve the best long term interests of Winnipeg and all of western Canada and also to rationalize our defence purchasing so that it is to the best advantage of Canadian industry and the armed forces.

Mr. Murta: If that is the case, the conclusion must then be drawn that the announement of the former minister was purely political. If there has been a postponement, is it still the intention of the government to locate the research centre in Winnipeg or in Manitoba if the project goes ahead?

Mr. Danson: I think that if there is a need for that facility, it will go ahead as planned by my predecessor, certainly in the interests of the people of Manitoba and western Canada, but I am taking a somewhat different look at these establishments right across the country at the present time.

Mr. Murta: I would like to ask one short supplementary question. What time frame does the minister have for the decision? In other words, when can we expect the decision as to whether there will be a defence research establishment built in Manitoba?

Mr. Danson: My colleague, the minister from Manitoba, is continually asking the same questions, but much more forcefully. I do not want to give a deadline. I have a task to do, and I want to pursue it properly. I do not want to set any artificial limits to which I cannot adhere. I am having discussions with my colleagues, the Minister of Industry, Trade and Commerce and the Minister of State for Science and Technology, so that we can have a rational program which serves the interests of the country well. I hope that this can be completed within six months or a year. I hope it will not take longer.

An hon. Member: Just before the election.

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IMMIGRATION

REFUSAL TO ALLOW PROFESSOR GUNDER-FRANK INTO CANADA—SUGGESTION FILE BE SHOWN TO OPPOSITION PRIVY COUNCILLOR

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is to the Minister of Manpower and Immigration, and it concerns a matter I have raised with the minister and with his office on several occasions, namely, the refusal by the government to allow Professor Gunder-Frank, an internationally known scholar, to take part in a symposium on world development at Queen's University.

Given that the minister has received many representations to reverse his decision because of the very real bewilderment and dismay at his flat refusal to admit Dr. Gunder-Frank with no explanation, given that we on this side of the House have consistently stressed the need for freedom of information legislation, and until that worthwhile goal is achieved would the minister undertake to show the file on Dr. Gunder-Frank to a Privy Councillor on the opposition side of the House for another assessment of the case so that it can be ascertained in an impartial manner whether there are indeed justified grounds for the minister's refusal?

Some hon. Members: Hear, hear!

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, one of the things which concerns me and about which I feel very strongly is academic freedom. I understand that the lecture of Dr. Gunder-Frank will be given but will be read by someone else, so there is no closing out of his ideas.

Some hon. Members: Oh, oh!

An hon. Member: How generous.

Mr. Baker (Grenville-Carleton): This is one of the funniest question periods I've ever seen.

Some hon. Members: Oh, oh!

Mr. Cullen: Mr. Speaker, I do not think the opposition is really serious; I am really sorry.

Mr. Alexander: You don't have anything else to say.

Miss MacDonald: I wonder if the minister would address himself to the question I put with regard to whether this file

could be made available to a Privy Councillor on the opposition side to ascertain whether there are justified grounds for the refusal.

Mr. Cullen: As Harry Truman once said, the buck stops here. I take my responsibility seriously. I am satisfied that I have made the right decision. I am satisfied with my sources of information but I feel that I have to protect them. We are dealing with a matter of national security. I am satisfied that the decision I have made is correct. Today, I am meeting with representatives of the Canadian Association of University Teachers to hear their representation. I am not cutting out any representations from hon. members opposite or from this side, but in the final analysis I have to make a decision in the interests of security. I have made it, and I am satisfied that it is correct. I am also satisfied that the said professor knows why he is not coming into this country.

Some hon. Members: Hear, hear!

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CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

REQUEST FOR NAMES OF COUNTRIES WHICH ALLEGEDLY DO NOT HONOUR THEIR COMMITMENTS—ATTITUDE TOWARDS AID TO INDONESIA

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Now that the budget of the Canadian International Development Agency has been increased to $1.1 billion, has the minister investigated the Auditor General's statement with respect to CIDA that, and I quote: "Certain countries do not honour their commitments", and can the minister tell the House what countries are involved and what corrective action has been taken?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I am in the process at the moment of setting up a full scale discussion and examination of questions regarding CIDA, in which the one the hon. member has posed will be very prominent. However, I do not have a definitive answer for him today, nor can I name the countries involved, but I will do so at the earliest possible moment.

Mr. Roche: I wish to express the hope that the minister will make that statement at the earliest opportunity in order to sustain public support for the whole operation of CIDA. Is it the intention of the government to maintain a high level of aid to Indonesia, which is now at $37 million a year, without ever once publicly protesting the violation of human rights in that country, where 35,000 political prisoners are being held without trial?

● (1150)

Mr. Jamieson: Mr. Speaker, once again I should like to take the question as notice and examine the details of our aid to Indonesia. I think the hon. member, probably better than anyone in the House, knows that the basic position we adopt with regard to international aid is that it is aimed at the ordinary and very poor people of a country. It is questionable whether we should seek to tie our aid to any kind of ideological questions or anything of that nature. The question is extremely complex. I want to give the hon. member a full answer and I would ask him to have patience until I examine it in detail and then I will do so.

[Miss MacDonald.]

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CANADIAN BROADCASTING CORPORATION

ALLEGATION CORPORATION UNFAIR IN REPORTING DEBATE BETWEEN SEPARATISTS AND FEDERALISTS—GOVERNMENT ACTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I had a question for the Acting Prime Minister but he seems to be wandering around like a lost soul in purgatory this morning. I therefore direct the question to the Minister of Finance, the next senior minister. My question concerns the taping yesterday of a program for the Global television network in which eight cabinet ministers participated, in which it is reported that four of the cabinet ministers attacked the CBC for its lack of fairness—

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): —in the debate between federalism and separatism. The Secretary of State said that he is anxious that the CBC resolve the issue of objectivity and balance. The government leader in the Senate said that "if it doesn't fulfil that mandate, then we parliamentarians must be prepared to take action." The Minister of Industry, Trade and Commerce went further and said, speaking of federalism—

Mr. Speaker: Order, please. The hon. member ought perhaps to put his question without further preamble.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I do not want to accuse the ministers of attacking the CBC unless I quote them. May I just quote one more briefly? The Minister of Industry, Trade and Commerce said of federalism, "I am speaking freely about it, if I were on the CBC it would not be carried." These are very serious allegations.

Some hon. Members: Yes.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I want to ask the government if it considers that the CBC is not giving a fair and balanced view—

Mr. Lalonde: Have you watched it?

Mr. Douglas (Nanaimo-Cowichan-The Islands): —of the debate between federalism and separatism, does it not have the responsibility either to change the management of CBC or to defend a publicly owned broadcasting corporation?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the hon. gentleman has referred to statements made which would indicate that there is a feeling I think among many federalists from the province of Quebec that Radio-Canada is not discharging its mandate above all to work for the unity of Canada.

Some hon. Members: Right.

Mr. Macdonald (Rosedale): This is surely one of its fundamental purposes. I would recognize the difficulties posed by the hon. gentleman in the sense that we have a national broadcasting corporation which is given a certain mandate by parliament and if there is a feeling on the part of the government that the mandate is not being discharged, as to whether action should be taken.

Mr. Horner: Take away its licence.

Mr. Macdonald (Rosedale): The hon. gentleman opposite suggests we take away its licence. At this point I would not make a further comment.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): I think this is a matter which should be widely discussed, not only by members on this side but by members opposite, to find some effective means of carrying out parliament's mandate with regard to preserving the country and to find out if indeed that mandate has been discharged by the CBC.

Mr. Horner: Send it to the broadcasting committee.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. In view of the fact that the Canadian Broadcasting Corporation is a public body financed by the taxpayers of Canada, reporting to parliament through the Secretary of State, and that the government appoints the board of governors and appoints the management, surely any dissatisfaction with the manner in which the CBC conducts its affairs is the responsibility of the government.

Some hon. Members: Parliament.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I am therefore asking the government if it is prepared to document its criticisms of the Canadian Broadcasting Corporation and, if those are well founded, to take the appropriate action it thinks ought to be taken rather than go on a competing television network and criticize its own broadcasting corporation.

An hon. Member: They have not got the guts to do anything about it.

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. gentleman in the past has often laid heavy stress on the fact that the CBC is not in any sense under the exclusive jurisdiction of the government of Canada and that other members of parliament and other parties have some deep concern about how it is operated. It seems to me that one of the more effective ways of engaging in a further examination of this question would be to do so within one of the committees of this House.

An hon. Member: Okay.

An hon. Member: Fair enough.

Mr. Macdonald (Rosedale): I suspect that my colleagues the Secretary of State and the President of the Privy Council would be quite prepared to have a further occasion upon which not only members of this side of the House but others can pass judgment on whether or not the corporation has carried out its mandate. Of course, it is the ultimate responsibility of the government to take a decision in this regard. On a matter concerning the broadcasting corporation, I think it has to be the concern in all corners of the House.

SUGGESTED REFERENCE TO COMMITTEE OF ALLEGATION CORPORATION UNFAIR IN REPORTING DEBATE BETWEEN SEPARATISTS AND FEDERALISTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A final supplementary, Mr. Speaker. If the government does not have the intestinal fortitude to deal with this matter itself, is it prepared to refer the matter to a standing committee of the House of Commons so that it may be fully investigated and that the Canadian Broadcasting Corporation may have an opportunity to defend itself and that the Canadian people may know whether the government tends to equate itself with unity and is criticizing the CBC more for the fact that it is not willing to be the slave of the Liberal party rather than that it is not supporting federalism?

Some hon. Members: Hear, hear!

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, that is just exactly what I said. We would be quite prepared to have a committee decision.

An hon. Member: Then do it.

Mr. Macdonald (Rosedale): I hope the hon. gentlemen will have the courage as well, if they find that indeed Radio Canada has not been maintaining the unity of Canada, to criticize the corporation.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I will.

Mr. Lalonde: You never watch it; you do not know what you are talking about.

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a supplementary question, Mr. Speaker. Is jumping on the Canadian Broadcasting Corporation to be a substitute or an excuse for a government that seems unable to reconcile the strains of confederation? That is the point.

Mr. Macdonald (Rosedale): I wonder whether the hon. gentleman might not want to participate in the discussions in the committee on this particular question and perhaps seek to make up his—

Mr. Fairweather: With a little more objectivity than your ministers showed yesterday, I will do it.

Mr. Macdonald (Rosedale): The hon. gentleman has obviously made up his mind already. Perhaps he is not so objective.

Mr. Lalonde: Do you watch it?

Mr. Fairweather: Every day.

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INCOME TAX

POSSIBILITY OF CHANGE IN TREATMENT OF REVENUE EARNED BY INDIAN BANDS—GOVERNMENT POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of National Revenue. Several days ago the minister indicated she would be meeting with Indian groups to discuss the question of a proposed change in tax law which would no longer permit Indian bands to treat income the same way that income would be treated in the hands of Canadian municipalities. Could the minister give the House some indication of whether a change in policy is coming or how the discussions proceeded?

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, the discussions proceeded very well. We have set up a key group of officials of my department who are working in conjunction with officials of the Department of Indian Affairs and Northern Development and with representatives of the Indians on better and more fair application of the Income Tax Act on matters of great concern for the Indians. Second, concerning the specific point raised about the eventual change in the interpretation bulletin IT-62 which is the one to which the hon. member refers, I can assure him that the Indian band councils on Indian reserves are considered as Canadian municipalities. Should any change be envisaged in the future, consultations will take place.

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● (1200)

HEALTH

ARSENIC POLLUTION—MINISTER'S VIEW OF LEVEL AT YELLOWKNIFE IN RELATION TO HEALTH

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Minister of National Health and Welfare. Does the minister, together with his officials, have reason to believe that arsenic levels in Yellowknife constitute a significant danger to human health and the environment? Mr. Speaker, I do not think the minister was listening to me.

Mr. Lalonde: I was waiting for the hon. member to sit down.

Mr. Brisco: Did the minister hear me?

[Mr. Macdonald (Rosedale).]

Mr. Lalonde: Sure.

Mr. Brisco: May we please have an answer?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, several studies have been made on the reports published about that subject. Of course, the matter is very controversial. That is why I have asked the Canadian Public Health Association to set up a work committee made up of independent experts. That committee has been asked to make a complete review of all studies made to date and to undertake any additional study that may be deemed necessary to establish, once and for all, whether mining operations in Yellowknife do present health hazards and, if so, to find out how to improve the situation and eliminate what dangers exist.

[*English*]

ARSENIC POLLUTION—REASON FOR ALLEGED FAILURE TO APPOINT ADVISORY BOARD TO STUDY PROBLEM

Mr. Bob Brisco (Kootenay West): A supplementary question, Mr. Speaker. Since the minister yesterday, when responding to the hon. member for Oshawa-Whitby, denied that he had any responsibility in this matter, and since the Environmental Contaminants Act authorizes the minister to set up an advisory board which can review these problems, I ask, why did the minister not appoint an advisory board whose mandate would be to look into significant environmental matters?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the hon. member failed to understand anything in the exchange of views I had yesterday with the hon. member for Oshawa-Whitby. I did not deny that my department has some responsibility in that field. The question of the hon. member for Oshawa-Whitby dealt with a very specific matter, namely the setting up of standards under the Task Force Clean Air Act, which act falls under the jurisdiction of the Department of the Environment and not mine. That is the question that was dealt with yesterday.

As for the point the hon. member brought up, I did indicate that a working committee was set up by the Canadian Public Health Association, at my request, and with funds supplied by my department. With regard to the other question concerning the environment, I indicated yesterday that a working committee has been set up by the Department of the Environment to determine what new standards might be required. I am sure that the Minister of the Environment will be pleased to answer that question when he comes back to the House.

[*English*]

ARSENIC POLLUTION—SUGGESTION ADVISORY GROUP STUDY PREVIOUS REPORTS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, may I direct a supplementary question to the Minister of National Health and Welfare. Since the report which the minister tabled in the House in the fall of 1975 was based on standards accepting as

normal ten parts per million of arsenic in human hair and since more recent scientific research findings suggest that levels of one part per million or more can be significant in causing the destruction of human nervous systems and thereby call in question the validity of the previous report, will the minister tell the House if he will ask the working group to which he just referred to consider the previous report in the light of the new findings concerning significant levels of arsenic in hair?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, in answer to the hon. member's question, I would like to indicate first that all the studies I considered as well as all the comments I have heard are to the effect that no judgment can be made solely on the basis of the arsenic levels in the hair, and that urinalyses must also be made particularly to know the arsenic level there could be in the whole system and not only in the hair.

As for the second part of the hon. member's question, I would say that the working group set up by the Canadian Public Health Association has broad terms of reference which will permit it to consider even the standards referred to and to see whether such standards should be more restrictive.

[*English*]

Mr. Yewchuk: Mr. Speaker, may I ask another supplementary question? The minister seems to have missed the point of my question. He indicated that other tests have been done. That is the point. The research report which he tabled was not based on arsenic levels in hair of less than ten parts per million, and for that reason I suggest that the report is totally invalid. The experiments should be reviewed and more studies carried out. The tests to which he referred must be carried out on all whose hair contains one part per million or more of arsenic. That was the question I wanted the minister to answer.

[*Translation*]

Mr. Lalonde: Mr. Speaker, I will not argue with the hon. member on the scientific value of such or such report. This is why an independent group appointed by the Canadian Association of Public Health will assess all those reports and will also submit a report which will be made public. And if this working group comes to the conclusion that the previous reports were somewhat deficient, I would be glad to agree with the hon. member.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

PURCHASE OF CRUISE SHIP BY METROPOLITAN AREA GROWTH INVESTMENT CORPORATION OF NOVA SCOTIA—STATUS OF MR. McNUTT AS VICE-PRESIDENT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I understand that the Minister of Regional Economic Expansion is engaged in a conference with Quebec ministers. I gave notice to his office this morning of my intention to raise a question concerning Metropolitan Area Growth Investment Corporation of Nova Scotia. Perhaps an acting minister can answer my question. In view of the continuing failure of MAGI, funded as a venture capital agency to the tune of $20 million several years ago by the federal government and the government of Nova Scotia to make a meaningful contribution to the Nova Scotia economy, can the acting minister indicate whether the minister or his department have been consulted or, indeed, have approved the multi-million dollar purchase of a cruise ship, by this agency, to operate in the Caribbean?

Mr. Ed. Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, as the hon. member may know, the minister on his way to New Brunswick last week to sign another multi-million dollar development agreement with one of the Atlantic provinces, made a side trip to Nova Scotia and had discussions with the premier. One of the topics discussed was MAGI. Unfortunately, I do not know the details of those discussions.

Mr. MacKay: A supplementary question, Mr. Speaker. I thank the parliamentary secretary for his answer and ask by way of a brief supplementary question whether he is able, in view of the continuing history of controversy surrounding appointments to the executive positions of MAGI, to clarify the present status of Mr. Scott MacNutt, the vice president of MAGI who now appears to be operating in limbo between the Workmen's Compensation Board of Nova Scotia and MAGI?

Mr. Lumley: Mr. Speaker, as the hon. member knows, MAGI is incorporated in the province of Nova Scotia. Its two shareholders, the government of Nova Scotia and the government of Canada, do not become involved in the day-to-day decisions of MAGI.

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GOVERNMENT ADMINISTRATION

POSSIBILITY OF CHANGES IN FINANCIAL ADMINISTRATION ACT TO GIVE GREATER CONTROL OVER CROWN CORPORATIONS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is directed to the President of the Treasury Board. Since the deputy secretary responsible for the financial administration of the Treasury Board admitted in the public accounts committee yesterday that control of Crown corporations under the Financial Administration Act is inadequate, specifically in that the government does not now have the right to obtain interim financial reports from Crown corporations to which it has lent millions of dollars, I ask the minister what changes are planned in the Financial Administration Act and when we can expect to see them?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, certain plans are under way to amend the Financial Administration Act. When the final decision has been taken it will be made known to the House. It will be soon.

Garrison Diversion

Mr. Speaker: Order, please. May I ask for the co-operation of the House? We now face a situation which some of us have anticipated for some time. It has now become a reality. A motion presented under the provisions of Standing Order 43 having been put with the consent of the House, debate on it has commenced. That debate was interrupted by another procedure of the House pursuant to a Standing Order.

Two interpretations are possible for the moment. I noted at 11.25 that only one or two other members seemed to be interested in participating in the debate. One of them, the mover of the motion, will close the debate. Perhaps the co-operation of the House may be forthcoming in bringing that debate to a rapid conclusion, particularly as everyone who wants to participate in the debate is anxious to agree.

That being so, it may give us the opportunity to explore more fully the conflict which arises from two interpretations. One of those could be based on Standing Order 45(2) which says that when a debate on a motion is interrupted for another purpose, it is to be transferred to government orders. The second interpretation could be based on a parallel with private members' hour, which in my opinion could be applicable. It is the rule that when an order of the day or a motion is under debate in the House and is interrupted by the private members' hour, that debate is automatically resumed at eight o'clock. There are two parallels. I do not think the House is disposed to argue them without preparation. It may be that after consultation the difficulty can be clarified for the future.

• (1210)

For the moment, I wonder if I might see one or two of those members who were anxious to make a brief comment before the question period was called, and then call the hon. member for Winnipeg North Centre to conclude the debate. The two hon. members who had the floor earlier were the hon. member for Qu'Appelle-Moose Mountain and the hon. member for Lisgar; and then, of course, the hon. member for Winnipeg North Centre.

Mr. Blais: Mr. Speaker, I rise on a point of order. It would be acceptable to the House leader for the government—

Mr. Fairweather: Wherever he is.

Mr. Blais: Mr. Speaker, I am acting House leader.

Some hon. Members: Oh, oh!

Mr. Blais: I would simply stress the admonition that you made, Mr. Speaker, that the matter is indeed a very interesting one, and that if you proceed now to hear two further speakers who have been recognized by the Chair the debate will have then been concluded. Any difficulty that may be related to the interpretation of Standing Order 45(2) in the face of the Standing Order which deals with private members' business could be disposed of at some future time. On that specific understanding we would be ready to accept two additional speakers.

Some hon. Members: Oh, oh!

[Mr. Andras.]

Mr. Speaker: Order, please. I have only indicated that, in the circumstances which we face, I am seeking the co-operation of the House. If I in any way call the motion and resume it, I have taken that responsibility upon myself. Once I do that it is a debatable motion and there can be no limit. I am only asking for the co-operation of the House. If there is to be any disagreement about that manner of proceeding, I would just as soon take a point of order and made a declaration now as to whether I am to be governed by another proceeding whereby this matter, now having been adjourned automatically by a Standing Order, will be transferred forthwith to government orders and debated when it is called again by the government. If the co-operation of the House is not to be forthcoming in concluding in the way I have suggested, I would just as soon hear the point of order and argument, and then I will make a final decision. Once I call it, if I do, it is open-ended because it is a motion before the House for debate.

Mr. Blais: On that point of order, Mr. Speaker, there is no consent from the members of the opposition. Therefore, we would like to call a bona fide point of order.

Mr. Speaker: Order, please. On the point of order the hon. member for Timiskaming was seeking the floor, and then the hon. member for Grenville-Carleton.

Mr. Peters: Mr. Speaker, I have great sympathy with the problem of solving this point of order without considerable debate. I appreciate the remarks made by Your Honour. I do not appreciate the remarks made by the deputy House leader who is indicating his support only if two members are called. All members will co-operate with Your Honour. That is likely the way it is going to be. However, I am violently opposed to the suggestion that was made by the deputy House leader that two speakers would be recognized and then the debate would be finalized. We have great respect for Your Honour's judgment and ability, and will agree to that proposal. I will not agree to the alternate proposal.

Mr. Baker (Grenville-Carleton): Mr. Speaker, as I read the rules, I thought there were only two ways to cut off debate, namely, by Standing Order 33 and Standing Order 75C. I did not know there was provision for a Standing Order deputy House leader to cut off debate. This is a debatable motion. I think the parties in this House will be responsible in terms of the length of the debate. However, I do not think it lies in the mouth of the deputy House leader to decide for all of us in this House of Commons when debate is going to end.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I thought this was a chamber of reasonable free speech, notwithstanding what the hon. member for Nipissing, the Postmaster General and now the duly annointed Standing Order 33 and Standing Order 75C expert, decides with respect to this matter. The matter is important and urgent because of the imminent departure of the Prime Minister. I think it is debatable and ought to be debated.

Mr. Blais: Mr. Speaker, it is not a question of trying to stop the debate; it is trying to interpret the Standing Orders such as they are found and such as they have been approved by all members of this House, including the hon. member for Grenville-Carleton. Your Honour was quite right in interrupting the debate on the motion under Standing Order 43 because of Standing Order 15(2) which reads as follows:

> Not more than two minutes after the reading of prayers, the business of the House shall commence. Members, other than ministers of the Crown, may propose motions pursuant to Standing Order 43 at this time. Not later than 2:15 p.m., or 11:15 a.m., as the case may be, oral questions shall be taken up. At 3:00 p.m., or 12:00 noon, as the case may be, the House shall proceed to the ordinary daily routine of business, which shall be as follows—

These are mandatory provisions. There is no discretion; there is an obligation. The routine proceedings are then listed as follows: Presenting reports from standing or special committees; tabling of documents (Pursuant to Standing Order 41(2)); statements by ministers; introduction of bills; first reading of Senate public bills; motions (except those permitted before oral questions).

Evidently that Standing Order envisages a situation where motions presented before the question period might attempt to be bootlegged during routine proceedings. The Standing Order makes an express exception of those motions presented prior to the question period. That is not the deputy House leader's motion of closure; it is the Standing Order. Quite clearly, Your Honour was entitled to adjourn the debate on the motion, under Standing Order 43, at 11:15. You allowed an additional ten minutes, and did so at 11:25. However, as Your Honour pointed out, Standing Order 45(2) reads:

> When a debate on any motion made prior to the reading of the orders of the day is adjourned or interrupted, the order for resumption of the same shall be transferred to and considered under government orders.

As Your Honour quite properly pointed out, government orders are at the discretion of the government as to the order of their being called. As you are aware, Mr. Speaker, the House leader indicated the order of business for today to the members of the opposition. It is to be the fiscal relations act. Therefore, this debate on Standing Order 43 had to be interrupted. The effect of that interruption was to transfer the whole of the debate to government orders. It becomes a government order and can only be called when the government chooses to call it.

In fairness to the opposition, and in view of the fact that we advised them as to the nature of business for this day, we intend to proceed with that business. I might call attention, Mr. Speaker, to your ruling when this particular matter was previously debated. At that time Your Honour felt you were bound by Standing Order 15(2), and the proceedings on the debate under Standing Order 43, which took up the whole of the question period, prevented you from holding the question period. I realize this is not directly on the point at issue, but it represents a recognition by yourself, Mr. Speaker, of the effectiveness of Standing Order 15(2). You have found yourself bound, previously, by the mandatory wording of that Standing Order. I submit that in this situation you are again bound by the provisions of the order and that there is indeed an obligation to proceed now to the orders of the day.

● (1220)

Mr. Speaker: Order. The difficulty, if I might summarize it, is simply this: there are arguments to be made on both sides as to the way in which this matter should be handled. The difficulty is that at 11.15 a.m. hon. members rose to take part in a debate on a motion which was debatable. If they were precipitating a consequence which might have cut off debate on the motion, as well as the finalization of it, they ought to have known that in advance. That is the courtesy I am extending to the hon. members who sought to participate in the debate. I have to say that if I were to enforce the Standing Order strictly, it might very well be that the debate would discontinue and that the question would not be put.

If this was the effect, under the present Standing Orders, of participation in the debate by two or three members, however briefly, they ought to have known at the time that they were running the risk of not having the question decided by the House before Monday's event which, after all, gave rise to the motion pursuant to Standing Order 43 in the first place. That ought to have been known in advance.

For that reason, therefore, rather than attempting to finalize the point of order at this moment I am attempting to extend a courtesy to hon. members who wanted to make a brief comment, and then call the question, leaving open for proper preparation of argument the means by which we should reconcile the difficulty between the provisions of Standing Order 43 and Standing Order 15(2). If I were permitted to do this, it might be the simplest way out of the dilemma at the moment. In doing it, I would propose to call now the hon. member for Qu'Appelle-Moose Mountain, the hon. member for Lisgar and then the hon. member for Winnipeg North Centre, who would finalize the debate before the question is put. That might be the easiest way out. Otherwise, I will listen to further argument on the point of order and make a decision as to whether or not the matter should be transferred to government orders, which might very well be the case.

Mr. Baker (Grenville-Carleton): If I may say so, Mr. Speaker, I think that what you are proposing is quite reasonable. It is important that we establish once and for all how Standing Order 43 is to be interpreted. The rule itself talks about matters of urgent and pressing necessity—

Mr. Speaker: Order. I thought I had made it clear that if I am to do this, I will do it. If I am to hear argument or discussion on the point of order, I will do that and decide the point of order.

Mr. Baker (Grenville-Carleton): I know, Mr. Speaker, and I am quite agreeable.

An hon. Member: So is everybody.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I welcome this opportunity today to do as the Secretary of

State for External Affairs suggested and let the House of Commons contribute a little input to the message which our Prime Minister will carry to President Carter.

On the subject of the waters of western Canada and the western plains, I hope somebody carries the message to the Secretary of State for External Affairs that Mexico has the same problem. I understand that two years ago the Americans and the Mexicans were discussing putting a dam on the Colorado so that the saline waters which come from all the irrigation upstream could be held back in the United States. I suggest to the Prime Minister that if he drew attention to this similar problem which arose between the Mexicans and the Americans, and drew a parallel with the Souris River in Manitoba, it would be helpful to us while at the same time being helpful to the Americans.

The second point I wish to make is this: our Prime Minister should explain to the President that we have plans ready in western Canada to put dams on the Souris River to divert waters in the Canadian section of that river right into Manitoba directly and not have to go through the United States to pollute their area. If these two points could be brought to the attention of the delegation which is going with the Prime Minister, when he expresses the feelings of Canadians with regard to the developments on the American side in connection with the Garrison project particularly he would have positive and constructive proposals to put forward which would make it easier for President Carter to reach a solution to this matter.

Mr. Murta: Mr. Speaker, it is with a great deal of pleasure that I find myself one of the final speakers in this debate because the Garrison diversion project, if and when it goes ahead and has an adverse effect on Manitoba waters, will probably affect my constituency, which is located right on the American border, as much as any other in Manitoba.

I suppose that the Postmaster General in his remarks was actually consuming more time than the debate would take. The topic we are discussing now is certainly one of the most important we could be considering at this time, in view of the fact that we face a situation in which the Prime Minister will soon be discussing the matter with the President of the United States.

I should like to sketch very briefly the happenings which led to the motion being put forward today, and refer to the requests made by various members of parliament, certainly by members of the opposition, and the reasons for them. On January 25 the hon. member for Selkirk who, along with the hon. member for Winnipeg South Centre and myself has been putting as much pressure as possible on the government to act, asked the hon. member for St. Boniface, the minister responsible for Manitoba, if he would assure the House that the Prime Minister would raise the Garrison issue with the President of the United States as a matter of priority and urgency.

In response, we heard the hon. member for St. Boniface make the flippant, offhand remark, "Ask the Prime Minister." A remark of that kind does not instil confidence in the people of Manitoba. It does not lead them to think that something is to be done. It was interesting to note this morning that the hon. member for St. Boniface was virtually breaking his arm off by patting himself on the back for everything that has happened up to this point.

The whole question arose on February 7 when I asked the Prime Minister if he would make sure that the Garrison diversion project was high among the priorities as far as his talks with President Carter were concerned. The answer given to me was very unclear and uncertain: there was nothing positive about it. On February 17 positive action was taken, once again by the hon. member for Selkirk. I believe the House will congratulate him on his efforts on behalf of those concerned about the Garrison issue. What the hon. member for Selkirk did was write to the President of the United States urging him to place this matter high on the agenda of the discussions. It is interesting to note that within a few hours the Prime Minister corresponded with the Liberal leader in Manitoba and also, I gather, with the President of the United States, indicating that he was now prepared to put the Garrison diversion project on the agenda.

That action by my hon. friend, coming as it did at a crucial time, will assure the Garrison diversion project and the whole circumstances of construction as far as the Lonetree reservoir is concerned being talked about by the two North American leaders. The appalling thing, though, is that when the announcement was made, after members of the opposition in this House had tried, unsuccessfully, over a long period to get an assurance from the government, it was made in Manitoba through the leader of the Manitoba Liberals. It was a cheap political trick to try to maximize on something which was, in effect, forced upon them primarily by the hon. member for Selkirk.

• (1230)

Mr. Munro (Esquimalt-Saanich): This is a non-partisan matter.

Mr. Murta: It certainly should be non-partisan, as the hon. member says. What we in Manitoba hope, and certainly what the members of the House of Commons should hope, is that the past stance of the President of the United States on environmental matters will carry itself through and that the President will, in effect, intervene in the Garrison study, and by intervening will hold up construction on Garrison projects, specifically the Lonetree reservoir which will affect Canadian waters, until the International Joint Commission's report has been issued. I think all members on this side of the House, and certainly most people in Manitoba, are willing to wait until the International Joint Commission's report has been brought down. We hope that President Carter, in his wisdom, will recommend a halt until that report is brought down.

Mr. Speaker: The hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker—

Mr. Speaker: I should repeat my warning, to be technically correct, that when the hon. member for Winnipeg North

Centre speaks he will close the debate. Prior to calling the hon. member for Winnipeg North Centre I had indicated that I would defer a point of order to be raised by the Minister without Portfolio. Perhaps I should do that now.

Mr. Guay (St. Boniface): Mr. Speaker, I do not want to get into the debate. All I want to say is that I did make representations several times to the Prime Minister. I believe that I am entitled to do so, just as any member can make private representations to any minister. In my particular case, because I cannot raise a question in the House, I thought this was the best thing for me to do, and I have done exactly what I should in respect to my responsibility to the people of my province.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I shall be brief, and I hope that when the motion has been passed it will be the words of the motion which will speak for the House of Commons on this issue today. I recognize, as has been demonstrated by the speeches which have been made, that this is an issue on which there can be a good deal of political infighting, efforts to claim credit, and all of that. Much of what has been said this morning is true. But my feeling and my motive in putting down the motion was that now that the point has been reached where the Prime Minister is going to discuss the matter with President Carter and is going to request the deferral of any further work on the Lonetree reservoir, we should express our pleasure and let the Prime Minister know that, for all the bickering that there is back here in the House of Commons, we support his efforts in Washington in presenting Canadian interests with respect to the whole Garrison project.

References have been made to all of those who have taken part. I am going to refer to a couple, obviously to put their names on the record but also for the purpose of underlining what the hon. member for Lisgar has just said, namely, that this issue has been around with us for a long while. I would remind members of the House who were here prior to 1974 that the former member for Assiniboia, Mr. William Knight, and the former member for Selkirk, Mr. Douglas Rowland, along with others of us were raising questions and speaking about this matter in the House on "late shows" in the twenty-ninth parliament. So the issue has been around a long while, and I want to give credit to all of those who have raised this issue in one way or another. I also give credit to the International Joint Commission for the study it has done thus far and for the preliminary position which that body has taken. It is really tremendous to get an international body with equal representation from both sides of the border to produce the kind of preliminary observation it has made.

So, Mr. Speaker, now that the Prime Minister is going to Washington, and now we know what he is going to do, even if we learned it through the publication by Mr. Huband of Manitoba of a telegram that he received from the Prime Minister, the thing for us to do is to say to Washington, to say to President Carter, to say to the Americans, that we are behind the Prime Minister in his request that work on the Lone Tree reservoir be deferred; and beyond that, we are with him in the efforts that we trust he will make on behalf of Canada to protect Canadian waters against pollution by the Garrison project.

It has been a long, hard struggle, Mr. Speaker. I have been as disappointed as my friends to the right in the kind of answers that we have had from the government. But as of today the word is that the Prime Minister is going to raise the issue, and I hope that the House will say unanimously that we are behind him in doing so.

Mr. Speaker: Order. It has been moved by the hon. member for Winnipeg North Centre, seconded by the hon. member for Nanaimo-Cowichan-The Islands:

That this House welcomes the announcement that the Prime Minister will discuss with President Carter, during his forthcoming visit to Washington, the Garrison diversion project in North Dakota, and further that this House unanimously endorses the stand the Prime Minister has said he will take to the effect that work on the Lone Tree reservoir be deferred, pending a review of the whole project and of this country's concern over its effects on Canadian waters, particularly in Manitoba and Saskatchewan, which is being made by the International Joint Commission.

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

Motion agreed to.

Mr. Speaker: I should indicate, in respect of the procedural difficulty which we faced, that it would seem that positions on both sides of the question were adequately guarded by argument, and far from being in a position to set aside or disregard those arguments, they are very much in my mind. I think we ought first to have a discussion of the matter to see whether there is a solution which would meet the approval of all parties. In any case, if the matter remains in conflict, I would certainly invite discussion which would give an opportunity to all members who want to participate to have a proper preparation period.

Mr. Baker (Grenville-Carleton): Mr. Speaker, if that is the suggestion it is certainly agreeable to us.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the following questions will be answered today: 205, 581, 1,011, 1,138, 1,139, 1,193 and 1,495.

Order Paper Questions

[*Text*]

RESIDENTIAL REHABILITATION PROGRAMME

Question No. 205—**Mr. Marshall:**

What amount of money has been allocated to each province under the Residential Rehabilitation Programme (NIP) and Rural and Native Housing since its inception?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: Loans approved for Residential Rehabilitation since the inception of the program in 1974, are shown in the following table.

Loans Approved[1] for Residential Rehabilitation, NHA Section 34.1 by Province and Territory, 1974—September, 1976

Provinces and Territories	Neighbourhood Improvement and Designated Areas		Rural and Native Housing	
	Units	$000	Units	$000
Newfoundland	565	2,386	57	201
Prince Edward Island	266	1,030	348	1,335
Nova Scotia	430	1,916	42	175
New Brunswick	761	2,850	1,129	2,652
Québec	1,015	5,753	170	809
Ontario	2,776	10,653	3	10
Manitoba	576	2,245	67	199
Saskatchewan	1,373	3,796	305	1,001
Alberta	975	3,043	92	364
British Columbia	1,816	5,050	2	15
Yukon Territory	—	—	—	—
Northwest Territories	—	—	1	10
Canada	10,553	38,722	2,216	6,771

[1] Data are gross.

COAST GUARD ON PACIFIC COAST

Question No. 581—**Mr. Reynolds:**

1. Does the Cabinet plan to announce a decision regarding the allocation of departmental responsibility of the Coast Guard on the Pacific Coast and, if so, on what date?

2. Will the Minister of Transport indicate what is the policy with respect to the funding of the Coast Guard Auxiliary, since in Delta, volunteers have already undergone training but are impeded by lack of formulation of policy and fund finances?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Prime Minister's and Privy Council Offices and Transport Canada as follows: 1. The Coast Guard is the responsibility of the Minister of Transport.

2. It is intended that funding for the Coast Guard Auxiliary will provide reimbursement to members for out-of-pocket expenses, such as fuel, incurred while engaged in rendering assistance at the request of federal rescue authorities. It is proposed to proceed with the formation of the Coast Guard Auxiliary as soon as possible on a national basis. Membership will include the existing members of the Canadian Coast Guard Volunteer Rescue Agent organization as well as other volunteers, mainly small vessel or boat owners, who would make themselves available to help in emergencies. The Canadian Coast Guard will assist with the organization and training of auxiliary units and it is not the intention that auxiliarists would be paid. However, the possibility of providing some form of insurance coverage for individuals and their boats while engaged on rescue operations is being investigated.

CMHC—MORTGAGES FOR NEW HOME CONSTRUCTION IN FREDERICTON, YORK AND SUNBURY COUNTIES, NEW BRUNSWICK

Question No. 1,011—**Mr. Howie:**

1. In the fiscal year ending March 31 (a) 1974 (b) 1975 (c) 1976, how many applications for CMHC mortgages for new home construction were received from (i) Fredericton (ii) York County (iii) Sunbury County, New Brunswick?

2. In each case, how many were (a) approved (b) rejected?

3. In each case, what was the total amount loaned on such mortgages?

Hon. André Ouellet (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1, 2 and 3. See following table. Information on the number of applications received and the number rejected, is not readily available.

NOTE: The fiscal year of CMHC is the calendar year.

Net Loans for New Housing Approved Under the NHA, 1973-1975—Fredericton, Sunbury and York Counties, New Brunswick

Location and Program		1973				1974				1975			
		Loans	Units	Hostel Beds	$000	Loans	Units	Hostel Beds	$000	Loans	Units	Hostel Beds	$000
Fredericton													
Low Rental	Sec. 15	—	—	—	—	—	—	—	—	—	—	—	—
Non-Profit	Sec. 15.1	1	—	62	468	—	—	—	—	—	—	—	—
Assisted Home Ownership	Sec. 34.15	—	—	—	—	15	15	—	391	36	36	—	1,074
Federal-Provincial	Sec. 40	—	—	—	—	—	—	—	—	—	—	—	—
Public Housing	Sec. 43	1	85	—	1,538	—	—	—	—	1	20	—	396
Home-ownership	Sec. 58	—	—	—	-30[1]	—	—	—	—	—	—	—	—
Indians on Reserve	Sec. 59	—	—	—	—	—	—	—	—	—	—	—	—

Net Loans for New Housing Approved Under the NHA, 1973-1975—Fredericton, Sunbury and York Counties, New Brunswick

Location and Program		1973				1974				1975			
		Loans	Units	Hostel Beds	$000	Loans	Units	Hostel Beds	$000	Loans	Units	Hostel Beds	$000
Sunbury County													
Low Rental	Sec. 15	—	—	—	—	—	—	—	—	—	—	—	—
Non-Profit	Sec. 15.1	—	—	—	—	—	—	—	—	—	—	—	—
Assisted Home-ownership	Sec. 34.15	1	1	—	20	4	4	—	93	7	7	—	180
Federal-Provincial	Sec. 40	—	—	—	—	—	—	—	—	12	82	—	1,598
Public Housing	Sec. 43	1	10	—	156	—	—	—	—	—	—	—	—
Home-ownership	Sec. 58	3	3	—	57	1	1	—	20	1	1	—	30
Indians on Reserve	Sec. 59	—	—	—	—	—	—	—	—	—	—	—	—
York County													
Low Rental	Sec. 15	—	—	—	—	—	—	—	—	—	—	—	—
Non-Profit	Sec. 15.1	—	—	—	—	—	—	—	—	1	—	30	391
Assisted Home-ownership	Sec. 34.15	—	—	—	—	2	2	—	42	6	6	—	147
Federal-Provincial	Sec. 40	—	—	—	—	—	—	—	—	2	17	—	335
Public Housing	Sec. 43	1	30	—	542	—	—	—	—	—	—	—	—
Home-ownership	Sec. 58	8	8	—	54	3	3	—	59	5	5	—	139
Indians on Reserve	Sec. 59	—	—	—	—	—	—	—	—	—	—	—	—

[1] Reduction in loans initially approved in an earlier year.

TASK FORCE REPORT

Question No. 1,138—Mr. Baker (Grenville-Carleton):

1. Has the Task Force on decentralization finished its final report for submission to the Minister and, if not, on what date is the report expected?

2. Is it the intention of the Minister to prepare a white paper based on the Task Force Report, for submission to Parliament and (a) if not, for what reason (b) if so, on what date?

3. Did the terms of reference of the Task Force include directions to study, as did those for the report "A Review of the Possibility of Dispersing More Government Work from London", by Sir Henry Hardman of the United Kingdom, the (a) precise estimated economic benefits which would accrue to areas where government functions are to be located (b) loss in communications efficiency of dispersed government operations and (i) if so, will the government include this information in any white paper prepared for Parliament (ii) if not, are such factors being considered, in what manner and by whom?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): 1. The Task Force on Decentralization was set up to examine the feasibility of relocating different government units from the N.C.R. It should be noted that prime factors considered are each unit's ability to operate effectively in locations other than the N.C.R. without duplicating existing facilities and the ability of these locations to support the operational needs of the unit. The process is continuous and no date for completion has been established. No final report is contemplated.

2. No. See 1 above. (a) No white paper is contemplated. (b) Not applicable.

3. (a) No. (b) No. (i) See 1 above. (ii) Yes, by individual departments in consultation with Treasury Board.

DECENTRALIZATION PROGRAMME

Question No. 1,139—Mr. Baker (Grenville-Carleton):

1. What is the total number of Public Service positions which will have been moved out of the National Capital Region under the programme of decentralization by the end of 1986?

2. For the year (a) 1976 (b) 1977 (c) 1978 (d) 1979 (e) 1980 (f) 1981 (g) 1982 (h) 1983 (i) 1984 (j) 1985 (k) 1986, how many Public Service positions will be moved out of the National Capital Region?

3. With reference to the President of the Treasury Board's speech on September 3, 1975, that "... it is clear that as long as only 14 percent of the senior executives are located outside the National Capital Region, there is a great deal of room for initiative in this area ...", what is the government's target percentage figure for executive level location outside the National Capital Region and on what date does it expect to achieve that target?

4. (a) What is the government's total projected cost for the decentralization programme to the end of its implementation period, or to 1986, whichever is the sooner and, what are the estimated costs for the (i) movement of departmental facilities (ii) training of personnel recruited to replace those refusing transfer (b) what is the estimated percentage increase in yearly operating costs for those units being moved outside the National Capital Region and what will be the estimated annual cost per unit decentralized for (i) intra-departmental communication (ii) intra-departmental travel (iii) transfers or promotions between geographically separated sections of the same department?

5. (a) What departmental units or agencies have been identified for future decentralization (b) on what date will such decentralizations take place (c) how many positions are involved (d) what is the government's estimate of the number of positions which will be filled by persons already employed by units or agencies and how many will have to be recruited in the new locations (e) have any discussions taken place with the employees to be affected and, if not, how long before the decentralizations are publicly announced will such consultation take place (f) what was the period of such consultation with employees of the departments and agencies already publicly identified to date for decentralization?

6. With respect to the municipal areas to which government functions are being moved, have consultations been undertaken with local municipal authorities and (a) if so (i) what are they (ii) what matters were covered (b) if not, for what reason?

7. Have the municipal authorities involved requested assistance from the government to meet the additional costs of providing services to departments and serviced land to employees and, if so, what was the government's response?

8. Has the government estimated the total amount of new office space which must be constructed as a result of the decentralization programme and, if so, what total amount of floor space must be provided and what is the estimated cost?

9. Is there a third phase of the decentralization programme which will move scientific and research establishments out of the National Capital Region and, if so, what units will be involved and where will they be located?

10. In the case of Public Service positions moved outside the National Capital Region, will second language training facilities be available to the employees and will such training, if provided, increase the overall cost of the bilingual training programme?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): 1. See answer to Parliamentary Question No. 1,138 Part 1 answered this day. Not known.

2. Not known. For those units already announced figures for permanent positions are as follows (by fiscal year): 1976-77:

126; 1977-78: 264; 1978-79: 228; 1979-80: 471; 1980-81: 728; 1981-82: 369.

3. No target percentages have been set.

4. (a) See answer to Parliamentary Question No. 1,138 Part 1 answered this day. Since the decentralization program is a continuous process no estimate to 1986 is available. (i) Not applicable. (ii) Not applicable. (b) (i) Not applicable. (ii) Not applicable. (iii) Not applicable.

5. (a), (b) and (c) See following table. (d) This will not be available until all employees have indicated their preference with regard to relocation. (e) Yes. (f) Individual department officials are involved in relocation plans from the beginning. For those relocations publicly announced, all employees affected were informed prior to public announcement. This is in accordance with procedures which have been recently endorsed by the National Joint Council.

6. Yes, after the announcement of each relocation, consultations have taken place with appropriate municipal authorities. These meetings conform to federal land management policy which requires that municipalities be brought into the planning of facilities in their areas. (a) (i) (ii) Many topics are covered including site selection; identifying number of jobs and size of payroll; determining the services required by facility; discussing effects upon traffic flow; relating operational needs of the unit to the objectives of the host municipality, etc. (b) Not applicable.

7. To date, no such requests are known.

8. Yes, for those units where relocation has been approved, total office space required is estimated at 1,905,000 sq. ft. at an approximate capital cost of $135 million.

9. No, as indicated in the answer to Question No. 1,138 Part 1, answered this day, the program is continuous and, without exception, all departments and agencies, including scientific and research establishments, are subject to consideration.

10. Consistent with provisions of the official languages policy, second language training facilities will be available. It is not anticipated that this will increase overall cost of the bilingual training program.

Department	Unit	Estimated Man-Years	Location	Estimated Timing Fiscal Year
Unemployment Insurance Commission	Annuities & Central Index	390	Bathurst, N.B.	1979-80
Department of Supply & Services	Superannuation	368	Moncton, N.B.	1981-82
Department of Veterans Affairs	Pension Commission Board and et al	630	Charlottetown, P.E.I.	1980-81
Department of Supply & Services	Cheque Redemption	264	Matane	1977-78
Department of National Revenue	Taxation Data Centre	81	St. John's, Nfld.	1979-80
Department of National Revenue	Taxation Data Centre	98	Chicoutimi-Jonquière, Que.	1980-81
Department of National Revenue	Taxation Data Centre	124	Shawinigan, Que.	1978-79
Department of National Revenue	Taxation Data Centre	126	Winnipeg, Man.	1976-77
Department of National Revenue	Taxation Data Centre	104	Surrey, B.C.	1978-79

GOVERNMENT DEPARTMENTS AND AGENCIES SHIFTED FROM OTTAWA DURING DECENTRALIZATION EXERCISE

Question No. 1,193—**Mr. Munro (Esquimalt-Saanich):**

1. (a) Which departments, departmental units or agencies are to be shifted from Ottawa during the decentralization exercise (b) what are the dates envisaged for each move (c) how many public servants will be involved in each case?

2. Have any assurances been given to public servants who may be unwilling to move, that they will be re-assigned laterally to positions in the Ottawa area and, if so (a) what are they (b) will they be given a choice of re-assignment?

3. Have any provisions been made to deal with the problems created by public servants who may be unwilling to move or to be re-assigned and, if so, what are they?

4. Are there any domestically oriented provisions envisaged to assist the public servants who are re-located to (a) sell or otherwise dispose of their homes (b) acquire new homes in the new communities (c) get their family belongings to the new communities and, if so, what are they?

5. Has a cost effectiveness study been carried out on any of the proposed decentralization operations?

6. To what extent has the foregoing been the subject of discussion with the employees concerned or with the unions representing them?

[Mr. Chrétien.]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): 1. (a), (b) and (c) See answer to question No. 1,138 part 1 answered this day.

2. Yes, while an absolute guarantee of job security cannot of course be given, the government is committed to taking measures on behalf of employees who do not wish to relocate by offering them, where possible, the chance to fill vacant positions in their own departments and by giving them priority consideration for jobs in other departments. (a) Not applicable. (b) Not applicable.

3. See answer to No. 2.

4. For public servants who relocate the provisions of the Treasury Board Relocation Directive (1975) apply. (a) See Treasury Board Relocation Directive. (b) See Treasury Board Relocation Directive. (c) See Treasury Board Relocation Directive.

5. Decisions on the relocation of government units from the N.C.R. have been based on an assessment of the impact of relocation in communities selected from the less advantaged regions of Canada, and from the cost impact of conducting government operations away from the N.C.R.

6. See answer to question No. 1,139 part 5 (f) answered this day.

DEPARTMENT OF SUPPLY AND SERVICES—SCIENCE CONTRACTS

Question No. 1,495—**Mr. McKenzie:**

1. What was the purpose and final findings of the Department of Supply and Services Science Contract Number (a) 01SU 23233-6-0676 (0SU76-00126) (b) 06SU 23440-6-9038 (0SU76-00130) (c) 18SQ 23440-5-1 222-1-10 (0SQ76-00080) (d) 16SQ 23233-6-0976 (0SQ76-00079 (e) 02SU 23384-6-5116 (0SU76-00119) (f) 18SQ 23440-5-1222-1-1 (0SQ76-00077) (g) 15SQ 23233-6-0553 (1SQ76-00081) (h) 15SQ 23233-6-0293 (0SQ76-00074) (i) 15SQ 23233-6-0540 (1SQ76-00083) (j) 16SQ 23440-6-9033 (0SQ76-00084) (k) 16SQ 23440-6-9034 (0SQ76-00085) (l) 15SQ 23294-6-0706 (0SQ76-00089) (m) 18SQ 23440-6-9043 (0SQ76-00091) (n) 18SQ 23440-6-9029 (0SQ76-00076) (o) 08SS KF501-6-0534 (0SS76-02106) (p) 08SS KF501-6-0525 (0SS76-02108) (q) 08SS KF501-6-0526 (0SS76-02107) (r) 08SS KF501-6-0527 (0SS76-02104) (s) 04SZ KL115-6-0125 (0SZ76-00245) (t) 05SS KE204-6-EP43 (0SS76-00242) (u) 07SS KE113-6-P-081 (0SS76-04014) (v) 06SS KL210-6-0856 (0SS76-00249) (w) 02SU KL004-6-C016 (0SU76-00115) (x) 04SS KL210-6-5147 (0SS76-00156) (y) 04SZ KF709-6-1163 (0SZ76-00198) (z) 01SU KL222-6-HY311 (0SU76-00127) (aa) 01SS KL347-6-0146 (0SS76-00207) (bb) 04SS KL347-6-0019 (0SS76-00257) (cc) 01SS KL210-6-0862 (0SS76-00241) (dd) 03SZ KL832-6-0860 (1SZ76-00240) (ee) 08SS KF501-6-0563 (0SS76-02111) (ff) 01SZ KM601-6-0525 (gg) 08SS KF501-6-0562 (0SS76-02110) (hh) 01SZ KM601-6-0579 (0SZ76-00263) (ii) 01SS KL347-6-0672 (0SS76-00256) (jj) 19SQ KL009-5-0181 (0SQ76-00068) (kk) 06SU KM601-6-0583 (0SU76-00135) (ll) 01SS KL347-6-0671 (0SS76-00250) (mm) 01SS KE204-6-EP40 (0SS76-00262) (nn) 02SS KE204-6-EP20 (0SS76-00258) (oo) 01SS KL347-6-0728 (0SS76-00261) (pp) 01SS KE204-6-EP52 (0SS76-00265) (qq) 02SS KE204-6-EP58 (0SS76-00266) (rr) 02SS KE204-6-EP21 (0SS76-00260) (ss) 01SS KE109-6-6027 (0SS76-00211) (tt) 06SS KL009-6-0121 (0SS76-00252) (uu) 04SS KE105-6-0009 (0SS76-00251) (vv) 07SS KF806-6-C040 (0SZ76-04015) (ww) 07SS KE113-6-P-097 (0SZ76-04019) (xx) 07SS KF706-6-0108 (0SZ76-04017) (yy) 07SS KF706-6-0121 (0SZ76-04018) (zz) 08SS KF832-6-0877 (0SS76-02115) (aaa) 08SS KE114-6-1162 (0SS76-02114) (bbb) 04SS KE105-6-0010 (0SS76-00253) (ccc) 08SS KF710-6-030 (0SS76-02113) (ddd) 08SS KF832-6-0886 (0SS76-02112) (eee) 02SS KE204-6-EP54 (0SS76-00267) (fff) 02SS KE204-6-EP28 (0SS76-00272) (ggg) 06SS KE204-6-EP57 (0SS76-00271) (hhh) 03SZ KF830-5-0591 (1SZ5-0401) (iii) 05SS KL210-6-5037 (0SS76-00270) (jjj) 04SS KE109-6-6-54 (0SS76-00254) (kkk) 13ST 36001-6-2309 (0ST76-00044) (lll) 07SU 36100-6-0349 (0SU76-00120) (mmm) 15ST 36001-6-7325 (0ST76-00043) (nnn) 13ST 36001-6-2315 (0ST76-00045) (ooo) 04SU 36100-6-0336 (0SU76-00112) (ppp) 16ST 36100-6-0351 (0ST76-00048) (qqq) 13ST 36100-6-0289 (0ST76-00046) (rrr) 06SU 36001-6-7348 (0SU76-00131) (sss) 02SU 36100-6-0343 (0SU76-00136) (ttt) 13ST 36100-6-0386 (0ST76-00049) (uuu) 07SU 36100-6-0256 (0SU76-00141) (vvv) 02SU 36100-6-0393 (0SU76-00134) (www) 06SU 36100-6-0342 (0SU76-00146) (xxx) 13ST 36100-6-0387 (0ST76-00051) (yyy) 12ST 360001-6-2350 (0ST76-00054) (zzz) 17SR 31058-6-3142 (0SR76-00055) (aaaa) 05SZ 31051-6-4992 (0SZ76-00246) (bbbb) 11SQ 31040-6-0595-X (0SQ76-00088) (cccc) 11SQ 31040-6-0595-V (0SQ76-00087) (dddd) 11SQ 31040 (0SQ76-00002) (eeee) 11SQ 31040-6-0595-X1 (0SQ76-00093) (ffff) 11SQ 31040-6-0595-VII (0SQ76-00094) (gggg) 11SQ 31040-6-0595-III (0SQ76-00098) (hhhh) 17SR 31058-6-3143 (0SR76-00061) (iiii) 11SQ 31040-6-0595-VI (0SQ76-00095) (jjjj) 11SQ 31040-6-0595-XIII (0SQ76-00102) (kkkk) 11SQ 31040-6-0595-1 (0SQ76-0010-1) (llll) 11SQ 31040-6-0595-IV (0SQ76-00100) (mmmm) 11SQ 31040-6-0595-II (0SQ76-00099) (nnnn) 02SW 01531-6-1173 (0SW76-00244) (oooo) SW03 01586-5-1634 (0SW5-0364) (pppp) 01SW 01525-6-0209 (0SW76-00259) (qqqq) 07SU 01A01-6-0876 (0SU76-0 0137) (rrrr) 01SW 01525-6-0186 (0SW76-00264) (ssss) 01SW 01525-6-0206 (0SW76-00268) (tttt) 01SW 01525-6-0223 (0SW76-00275) (uuuu) 14ST T8200-6-6 510 (0ST76-00039) (vvvv) 14ST T8200-6-6526 (0ST76-00038) (wwww) 11ST T8200-5-5545 (0ST76-00042) (xxxx) 16ST T8080-6-1681 (0ST76-00047) (yyyy) 08SS T1900-6-0606 (0SS76-02109) (zzzz) 01SU T8200-6-6517 (0SU76-0 0133) (aaaaa) 16ST T8200-5-5528 (0ST5-0087) (bbbbb) 15ST T8080-6-1749 (0ST76-00050) (ccccc) 07SU T8200-6-6528 (0SU76-00144) (ddddd) 14ST T8200-6-6535 (0ST76-00052) (eeeee) 16ST T8080-6-1753 (0ST76-00053) (fffff) 16ST T8200-6-6503 (0ST76-00059) (ggggg) 13SR 3276026 (8SR76-00051) (hhhhh) 07SS 3216011 (0SS76-04013) (iiiii) 04SU CDO141608 (2SU76-00 124) (jjjjj) 13SR 1430603 (8SR76-00054) (kkkkk) 07SU CD0141607 (2 SU76-00132) (lllll) 13SR 1450514 (8SR76-00059) (mmmmm) 07SS 2316016 (8SS76-04020) (nnnnn) 07SU CD3286004 (8SU76-00145) (ooooo) 02SU 3286001 (8SU76-00140) (ppppp) 13SR 3236019 (2SR76-00060) (qqqqq) 01SU 87055-6-0096 (0SU76-00142) (rrrrr) 11SQ 87055-5-0040-1 (0SQ76-00097) (sssss) 04SU 0S002-6-D453 (0SU76-00125) (ttttt) 04SU 38434-6-A096 (0SU76-00122) (uuuuu) 06SU 45045-6-3114 (1SU76-0 0129) (vvvvv) 04SU A7111-6-0306 (0SU76-00121) (wwwww) 04SU C7111-6-0300 (0SU76-00123) (xxxxx) 01SS 83877-6-0205 (0SS76-00248) (yyyyy) 06SUH4001-6-S003 (0SU76-00143)?

2. Has there been or will there be any follow up on such findings and/or recommendations and, if so, in what manner will they be implemented in each case?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The list of contracts included in this question appears to have been taken from the DSS R&D Bulletin for October, 1976 which shows all unclassified contracts issued by the Science Centre during the month of September of the same year. All these contracts were issued by DSS on behalf of the science mission oriented departments of Government, the names of which are included in the Bulletin. In order to obtain detailed information relating to the purpose, findings and any follow-up on such findings, it is suggested that it be requested from the departments which requisitioned the contracts. It should be noted that many of the contracts will not be completed until the end of the current fiscal year, or in some instances, until later in fiscal year 1977-78.

[*English*]

Mr. Milne: I would ask, Mr. Speaker, that the remaining questions be allowed to stand.

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHED PROGRAMS FINANCING ACT, 1977

MEASURE FOR MAKING CERTAIN FISCAL PAYMENTS AND OF ESTABLISHED PROGRAMS FINANCING CONTRIBUTIONS TO PROVINCES, ETC.

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-37, to provide for the making of certain fiscal payments and of established programs financing contributions to provinces, to provide for payments in respect of certain provincial taxes and fees, and to make consequential and related amendments, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, the bill now before the House encompasses a larger part of the over-all fiscal relationships between the federal government and the provinces for the next five-year period. It covers the long-standing program of equalization grants to the provinces, the income tax collection agreements with the provinces, and other aspects of our fiscal relations. It also includes new arrangements for the major shared-cost programs in the areas of public hospital services, medical care services and post-secondary education.

● (1240)

The present bill, encompassing as it does an agreement made ultimately between the first ministers at the meeting in mid-December last, is witness to several important facts about the constitutional system. First, it has been found to be possible, with the exercise of ingenuity and a considerable spirit of compromise in Canada, to bring about substantial changes in fiscal responsibilities and also in the area of government programs between the two levels of government without seeking formal amendment of the constitution.

The British North America Act in its original form contemplated just the same kind of transfer payment that we have in the bill before us today, but those provisions, such as for example sections 118 and 119 of the BNA Act, have long since been overcome by the fiscal facts of life. Right from the start of our constitution the concept of transfer payments to certain of the provinces was built into our constitutional framework, and this bill represents the latter-day evolution of those provisions.

The second fact witnessed by this measure is that over a period of time an important evolution has occurred in the relations between the federal government and the provinces, a relationship which has not been enshrined in any formal act of law either by the federal or provincial governments. I am talking, of course, of the evolution of the institution of federal-provincial conferences, many of which occur every year in the context of purely functional questions by the ministers involved but which increasingly involve meetings between the first ministers of the 11 governments for the purpose of resolving major questions of policy which in some cases may have been discussed by ministers previously.

From the point of view of the provinces, the new fiscal arrangements provide for the transfer of a large part of national fiscal resources from the federal to the provincial governments. Pursuant to this measure, the provinces will be receiving some $8.5 billion in fiscal transfers, about $3 billion of it in the form of an increased share of personal income taxes and the rest in the form of cash payments. This contribution represents more than a sixth of the total federal budget. From the point of view of the ordinary citizen, the measures we are discussing constitute vital services we have come to depend on and perhaps even take for granted as Canadians. We are fortunate to have established in Canada publicly-supported programs for hospital and medical care which assure all citizens high-quality health services regardless of their ability to pay.

I am conscious, in introducing this measure to the House in the first place, of the fact that the bill is a very complex document. I regret that this is the case, but unfortunately it is unavoidable. Fiscal relationships between different levels of government are inherently complicated. Hon. members will be dismayed to see algebraeic formulae and cube roots worked into the clauses of the bill. The concepts they deal with are technically complex, but they have to be incorporated into legislation. The legal phraseology has to be as accurate and precise as we can make it. We are dealing with such notions as the measurement of fiscal capacity, methods of calculating cash entitlements, escalation factors and tax rate changes. These are essential features of the new fiscal relations we are proposing, and there is no alternative to writing them into the law.

I would have to say in this regard, however—if we can take at least one consolation from this—that happily this is not a measure which in the normal course of life will have to be interpreted by the ordinary taxpayer. Rather, it reflects the highly esoteric responsibilities of that rare but hardly endangered species, the treasury tax planner. As the House knows, that is a species which survives at a particular altitude in our community, living in communion with the binomial theorem, tending carefully square and cube roots, and comprehensible only to the other groups of similar planners.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Because of the complexity of the bill I would like to take a little time to speak of its detailed provisions, and I apologize for taking more time than I would normally on a measure on second reading. I wish to do so in order to put before the House, and for the record, an overview of the document before us and some indication of the ways in which the various fiscal arrangements have changed as a result of the discussions culminating in the meeting last December 13.

As I said before, this package of fiscal measures represents the culmination of intensive federal-provincial discussion and

debate over the past year and a half. It implements the accord reached between the Prime Minister (Mr. Trudeau) and his provincial colleagues at their conference last December. There were, and are, some differences between the federal government and the provinces. Indeed, there were, and are, some differences among the provinces themselves. This is hardly surprising. Canada is a country not only with divided jurisdiction but with marked regional differences.

Mr. Munro (Esquimalt-Saanich): I wish I had said that.

Mr. Macdonald (Rosedale): I would like to emphasize that as a result of these particular discussions in so far as transfer payments have been involved in these measures to which the ministers and the premiers concurred and make a special comment on the fact that, particularly in relation to premiers from the so-called well-to-do provinces, not only had the transfer payments not been a subject matter of complaint but, indeed, the proposals have received very generous support. I would have to say in this regard, also, that this has been just another example of the self-reinforcing nature of Canadian federalism and of the responsibilities assumed by certain regions of the country for the welfare and development of other regions. The arrangements arrived at in mid-December are in the very best of traditions which have been involved in the evolution of our federalism.

Much of the discussion and debate over the past year and a half stemmed from obvious differences in perspective. We at the federal level believe that the national government must preserve enough fiscal resources to redistribute income to persons and regions, to stabilize the economy and to continue to help finance the services Canadians in all parts of the country need and deserve. Those at the provincial level have claimed that the federal government has in the past intruded into areas of provincial jurisdiction through the use of its spending power; that the shared-cost programs in particular have distorted provincial expenditure priorities; and that this, in turn, has forced the provinces to provide high-cost programs where equally effective but lower-cost alternatives would serve as well.

Reflecting only a personal viewpoint as a member who was in the House through the decade of the sixties when a number of these significant measures came to their realization, I for one remain unrepentant about the use of the federal spending power for the purpose of providing these better services to Canadians.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): I would think there could hardly be any question that without the exercise of the spending power in the areas of health or post-secondary education we could not have had the good national standards in all provinces in the fields of health and education which have been supported in all corners of the House.

Mr. Broadbent: Why are you getting out of it all?

Mr. Macdonald (Rosedale): Because the provinces have asked to be given increasing fiscal room. They have asked that they be given increasing possibility to determine their own priorities in this regard. The financial room is still there, but the greater freedom of decision-making power is also being conferred upon the provinces by the measures that we are putting forward here. I believe that the bill before us represents a remarkable accommodation of the varying interests that were represented at that conference.

Many of the ideas that are incorporated into this bill, such as, for example, those regarding the treatment of shared-cost programs, are not new. They represent the long-standing policy of the federal government, particularly of this administration, to seek effective decentralization of fiscal responsibility to the provinces. I might recall that similar initiatives were taken by the federal government about five years ago. This government has been in the forefront of this search for decentralization for many years.

• (1250)

If there is one striking fact about the evolution of the fiscal relationships between the federal government and the provinces during the past ten or twenty years, it is the increasing degree of fiscal freedom and flexibility which the provinces have achieved. They not only control a much larger share of total government revenues and expenditures than they did ten or twenty years ago, but they have developed a wide array of distinctive and effective programs increasingly under their own control.

The federal government has listened, and responded, to provincial demands for greater autonomy. There has inevitably been some tension between the two levels of government over the proper balance between the centralizing and decentralizing forces which are experienced in any federal state. The bill now before the House will, I believe, contribute significantly to striking an even better balance between these forces at this time in our development. I say "at this time" because there is no right or wrong answer for all time. As social, economic and political conditions change, different fiscal relationships between the federal government and the provinces become appropriate. The present bill is a response to those changing conditions. It represents a major step toward decentralization, especially in the areas of health and post-secondary education.

The cost-sharing formulae for these programs will be replaced by an arrangement under which federal contributions will no longer be tied dollar for dollar to provincial expenditures. Moreover, federal contributions will be in the form of cash payments and the handing over of more income tax room to the provinces. The cash portion will help to maintain national standards and objectives, where appropriate, without detailed auditing of provincial accounts. The greater provincial share of the tax will increase provincial fiscal flexibility.

[*Translation*]

Mr. Speaker, in addition to its brilliant innovations with respect to health and post-secondary education programs, this bill will maintain the financial stability of the provinces

through the equalization payment program. This program assures all Canadians of a reasonable level of vital public services, without forcing them to pay much higher tax rates than the national average. It attempts to reduce as much as possible regional disparities throughout the country and it will continue to do so as an efficient means of preserving national unity. Financial stability will also be maintained through methodical arrangements concerning the sharing of fiscal areas, the revenue stabilization program, and the guaranteed personal income tax revenues.

Before considering certain provisions of the bill, Mr. Speaker, I would like to say that in spite of the understandable differences of opinion that exist between the various provinces as well as between the provinces and the federal government, the fact remains that the parties can come together to work with a view to improving the lot of all Canadians. Recently, some seemed to doubt that possibility. The result of the November 15 election particularly brought some to believe that Canadians could no longer live and co-operate as Canadians.

The election of a separatist government in Quebec led to two opposed reactions within English-speaking Canada; I do not approve either one of them. The first had overtones of hostility, and the second was marked by indifference. Those attitudes are both shallow and baffling, shallow because they represent opinions that no intelligent being would want to defend after thinking about it, and baffling because they reflect a profound lack of understanding of the legitimate aspirations of many French Canadians. Not only hostility incompatible with the democratic process of this country but it also serves the interests of certain extremist elements in Quebec. Likewise, indifference to the election of the separatist government shows that people do not know where the interest of Canadians lies.

The separation of Quebec will not miraculously solve the problems that gave rise to the separatist movement. The problems will persist and might become unsolvable. The means to solve those problems and put an end to the differences that exist between French and English Canadians are already present in our federation. This bill is an excellent example of the means made available to us and the agreements that can be made between various levels of government.

I also noted that the bill gives the provinces greater freedom and flexibility in taxation. However, it should not be forgotten that freedom, flexibility and responsibility go together. Through the years, the provinces have asked for a large part of the taxation resources to be able to finance the programs for which they are responsible and that they want to adjust to the objectives of their own policies. The new arrangements concerning the financing of shared cost programs allow for a large part to meet that request. However, it means that the provinces will have to accept more and more responsibility for their action and the control of their spending. Indeed they are more in a position to do so. So they will be more accountable to their own voters. That is the very principle of fiscal responsibility.

Mr. Speaker, I would like to call it one o'clock.

[Mr. Macdonald (Rosedale).]

Mr. Deputy Speaker: It being one o'clock, I now leave the chair until two o'clock.

At one o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 2 p.m.

Mr. Macdonald (Rosedale): Mr. Speaker, if I could turn from my general introduction to the basic provisions of the bill, I think it might be simplest for me to deal with each of the ten parts in turn. Part I of the bill provides for a new equalization formula which is to be applicable for a period of five years commencing April 1, 1977. It will replace the present one which expires on March 1, 1977. The purpose of equalization remains unchanged; that is to say, to make it possible for all provinces to enjoy reasonable standards of basic public services without having to resort to levels of taxation above the national average. Equalization remains among the most important of all federal programs, and the fact that the programs have become well established should not let anyone forget its very great significance.

Hon. members will recall that seven provinces presently receive equalization payments: the four Atlantic provinces, Quebec, Manitoba and Saskatchewan. These are the provinces whose capacity to raise revenues from their own sources is below the national average. The concept of fiscal capacity is a simple one but one that poses great technical problems. How it is dealt with is set out in the bill.

It is estimated that equalization payments of about $2.5 billion will be made to the provinces in the fiscal year 1977-78. In per capita terms, that will be distributed as follows: Newfoundland, $479; Prince Edward Island, $577; Nova Scotia, $416; New Brunswick, $394; Quebec, $200; Manitoba, $194; Saskatchewan, $41. These figures reflect the relative fiscal capacity of the provinces to raise revenues from their own sources. Ontario, Alberta and British Columbia do not receive equalization payments because their fiscal capacity is above the national average.

The new equalization formula proposed in the bill differs from the one presently in effect in essentially four ways. First, revenues to be equalized have been reclassified and redefined to reflect in a better way what the provinces are now taxing. In effect, the representative tax system upon which the program is based has been updated. Among other things, this enables the equalization formula to give separate recognition to certain revenues which have become increasingly important in recent years.

Second, the treatment of national resource revenues has been changed. Commencing with 1974-75, provincial revenues from natural resources have been only partly included in equalization in order to avoid a sudden and unwarranted large jump in the cost to Canadian taxpayers of the equalization program. It is proposed to continue to limit the resource

revenues subject to equalization, but to do so in a more consistent way.

At the present time, revenues from non-renewable resources, except for oil and gas, are equalized in full particularly because revenues are split into two parts, basic and additional. Basic revenues, essentially revenues up to 1973-74 levels, are equalized in full: additional revenues essentially representing the increase in revenues beyond the 1973-74 levels which were consequent upon the increase in world prices for petroleum and which, while not rising to world levels, increase as well, and are equalized to the extent of one-third. The new formula provides that half of all revenues from non-renewable resources would be equalized. All provincial revenues from renewable resources would continue to be equalized in full as they presently are.

Third, changes have been built into the formula to reduce existing possibilities for a province to influence its equalization entitlements by its own actions. In particular, a new revenue source, covering both corporate income taxes and the revenues derived from government business enterprises, has been established. The objective of this new grouping is to prevent a province's equalization entitlement from being significantly increased as a result of the province acquiring a privately-owned, profit-making corporation.

Finally, a partial ceiling has been built into the equalization formula for all natural resource revenues. This has been done to guard against a rapid increase in the costs of the equalization program resulting from such events as worldwide shortages or restrictions of supply that can affect resource revenues particularly. The way it has been done is by providing that the total amount of equalization payable in respect of all natural resource revenues may not exceed one-third of total equalization. The level of one-third is somewhat above the existing level and is unlikely to become applicable unless there is a very substantial increase in provincial revenues from oil and gas.

One final point on the equalization program, Mr. Speaker. I referred earlier to the importance of equalization in underpinning provincial financing. This can be illustrated by noting that payments under this single program regularly amount to about 25 per cent of gross general revenues in each of the four Atlantic provinces to more than 10 per cent in the case of Quebec and Manitoba and, on the average, to about 5 per cent in Saskatchewan. It is not possible to overestimate the impact that the equalization program has in the lower income provinces.

● (1410)

Part II of the bill provides for renewal of the fiscal stabilization program for a period of five years commencing April 1, 1977. It will replace the present one which expires on March 31, 1977. The purpose of revenue stabilization is to protect provinces from sudden year to year losses in revenue as a result of a severe economic downturn in the national economy or in their own economies. In essence, the program provides that where the total revenue of a province in any year is lower than its total revenue in the preceding year, it will receive a stabilization payment equal to the shortfall. The comparison between the two years is made on the basis of common tax rates and structures. However, where the reduction occurs in respect of natural resource revenues, stabilization is applicable only if and to the extent that the reduction exceeds 50 per cent of such revenues for the previous year.

This latter provision—the 50 per cent threshold—has been added to prevent the possibility of making substantial stabilization payments to resource-rich provinces whose revenues could fall from present, or future, high levels as a result of declining volumes of production or reductions in the prices of resources. We do not feel we should ask the taxpayers of Canada generally to underwrite resource revenues, given their historic tendency to reach peaks from which sharp declines occur. The rapid increases in such revenues are, for the most part, unexpected; their subsequent declines are often foreseeable. They should be planned for by the provinces which are fortunate enough to receive them. This is not the kind of contingency that the stabilization program is intended to cover. While no payments have ever been made under the stabilization program, it has proved useful to the provinces when they have gone to the capital markets to raise funds.

Part III of the bill provides for continuation of the authority in the present act for the federal government to enter into tax collection agreements with the provinces. The only significant change here is that for the first time provision is made for bringing the two territories within the tax collection agreements. Under these arrangements the federal government collects, on behalf of all provinces except Quebec, the provincial personal income taxes they levy. It also collects, on behalf of all provinces except Ontario and Quebec, the corporation income taxes they impose, and it does so at no cost to the provinces except for a small fee, in the case of some provinces, for the administration of special rebates. This tax collection system has been used as the main tool to keep federal and provincial tax systems in harmony. The two provinces not party to the agreements have shown a willingness to keep their systems similar to the federal system, thus preserving harmony.

When the agreements were first initiated, income taxes levied by agreeing provinces were required to conform rather strictly to the federal tax law. In recent years, provinces have sought modification to their tax laws to permit them to implement their own social and economic policies. They requested that these modifications—tax credits, tax reductions, etc.—be accommodated within the terms of the tax collection agreements. These requests have been met where it was felt that departure from strict conformity with the federal law would not disturb or damage the national system. This is a clear demonstration of federal willingness to grant provinces the flexibility they want to determine their own fiscal policies. Obviously, the accommodation cannot go so far as to undermine the very objectives of a uniform tax system. But I think it is fair to say that no reasonable provincial request has been turned down.

Part IV of the bill provides for a new, limited revenue guarantee program intended to avoid serious disruption to provincial financial planning as a result of federal tax policy changes in the year in which they are effective. Its purpose is to encourage the maintenance of a common tax system across Canada. Provincial personal income tax rates under the tax collection agreements are applied to federal basic tax. As a result, any policy change that reduces federal basic tax, after provincial rates are struck, alters provincial tax collections. The guarantee will pay for any such provincial revenue losses, as a result of federal policy, that exceed 1 per cent of federal basic tax in the province. The 1 per cent threshold is designed to avoid the necessity of making payments for what might be regarded as relatively small and unimportant changes. The guarantee will apply to all personal income tax changes announced after the beginning of the tax year and effective in that year. The change in revenues will be estimated by province, and where the potential loss exceeds 1 per cent of federal basic tax a payment will be made.

The province of Quebec both defines its own income tax law and collects its own income tax. Thus, it is not automatically affected like the other provinces. However, Quebec has indicated its interest in making its tax system conform with the national system and has asked to be included in the program. If Quebec makes changes in its tax system similar to the federal changes and in the same year, it will be eligible for a guarantee payment.

Part V of the bill authorizes the federal government to share with the provinces 20 per cent of the yield of a special federal tax of 15 per cent on the pay-out by corporations of undistributed surplus on hand at the end of their 1971 taxation year. The provisions of this part of the bill are simply a continuation of the arrangements provided for under the existing act.

I come now, Mr. Speaker, to part VI of the bill, the new provisions for the financing of established shared-cost programs. In essence, the present cost-sharing arrangements for hospital insurance, medicare and post-secondary education are replaced by a formula under which federal contributions will no longer be tied to provincial expenditures. The objectives of the new arrangements were outlined by the Prime Minister last June. They are: first, to maintain across Canada the standards of service to the public under these major programs and to facilitate their improvement; second, to put the programs on a more stable footing so that both levels of government are better able to plan their expenditures; third, to give the provinces flexibility in the use of their own funds which they have been spending in these fields; fourth, to bring about greater equality among the provinces with regard to the amount of federal funds they receive under the programs; and, fifth, to provide for continuing joint policy discussions relating to the health and post-secondary education fields.

The new established programs financing arrangements as defined in part VI of this bill will serve to help achieve each of these goals. The need for the detailed accounting required under the cost-sharing formulae for hospital insurance, medicare and post-secondary education will be eliminated. This detailed accounting has been a source of irritation and resentment between the two levels of government for some time. The federal contributions to the provinces will now take the form of cash payments and the transfer of tax room to the provinces. Federal contributions to the provinces under this part of the bill will come to more than $6 billion in the next fiscal year. These contributions, in conjunction with the equalization payments, will total almost 21 per cent of provincial gross general revenues, ranging from about 10 per cent in Alberta, a non-equalization receiving province, to well over 35 per cent in each of the four Atlantic provinces.

The basic cash contribution for established programs financing for 1977-78 will equal 50 per cent of the national average per capita contribution for all three programs in the base year 1975-76, multiplied by the population in each province and escalated in line with the growth of the Canadian economy since that year. The tax transfer will consist of 13.5 personal and one corporate income tax points, plus associated equalization. Since the provinces already have 4.357 personal and one corporate income tax points for post-secondary education under part VI of the present act, the increased tax transfer to the provinces will be 9.143 personal income tax points.

It would be helpful if I could take a moment to explain the concept of a tax transfer. The way this will come about will be through a reduction of federal tax in the expectation that the provinces will increase their taxes by an equivalent amount. The result is that the position of the taxpayer will be unchanged but he will pay less tax to the federal government and more to the provincial government. The tax transfer will give the provinces greater flexibility in the use of their financial resources, and thus promote the principle of fiscal responsibility. This is in accord with the wishes of provinces. It will also enable both levels of government to better plan their expenditures. The tax cut will be effective as of January 1 of this year, 1977.

● (1420)

The value of the tax transfer varies widely among the provinces. In the interest of achieving greater equality of treatment among the provinces, transitional adjustment payments will be made to ensure that the value of the tax transfer is at least equivalent to the value of the basic cash contribution. In this way provinces will receive as much in tax revenues and cash as they would receive if the entire federal contribution were in the form of cash. I should also note that the current shared-cost payments also vary widely from province to province on a per capita basis. Accordingly, levelling adjustments will be made in order to achieve further equality of provincial treatment. These levelling adjustments will assure all provinces equal per capita payments after five years. Provinces now above the national average will be "levelled down" in five years; those now below will be "levelled up" in three years.

There are two other issues I should mention in connection with established programs financing. The first relates to the

recovery of a portion of the tax transfer, and the second relates to the extended health care services proposal made to the provinces by the Minister of National Health and Welfare (Mr. Lalonde). The need to make a recovery arises because while the tax transfer will become effective on January 1, the established programs financing arrangements will not come into effect until April 1. At the last federal-provincial finance ministers meeting I proposed that this "overcompensation" be recovered from the provinces by means of a reduction of amounts otherwise payable over the next three fiscal years. The provinces argued that this would be unfair since there is a delay between collections by the federal government and payments to the provinces. The bill provides for a compromise solution by specifying that only one-half of the "overcompensation" in the first three months will be recovered by means of a reduction in amounts otherwise payable. This recovery will be made over the following two years. I feel that this compromise is more than fair.

The second issue has to do with the proposal of the Minister of National Health and Welfare to finance certain new health programs, as well as certain services now cost-shared under the Canada Assistance Plan, by means of an equal per capita cash grant of $20. These services are referred to as the extended health care program. The Minister of National Health and Welfare has informed me that the provinces generally agree with this proposal, and I understand he is communicating today with provincial health ministers to confirm that we are proceeding with it. This program which is provided for in the bill has the advantages of terminating all open-ended cost-sharing arrangements in the health care field and of making it easier for the provinces to provide less costly but equally effective services across the whole spectrum of our exemplary health care system.

[*Translation*]

Mr. Speaker, the arrangements concerning established programs financing are an important step in the evolution and the decentralization of federal-provincial fiscal interdependencies in Canada. These arrangements will enable the provinces to enjoy greater autonomy in administering their own programs and will eliminate a source of tension and deception among the federal and provincial governments. According to the federal government, decisions concerning federal budget related expenditures will no longer be made in provincial capitals and both levels of government will be better able to plan their own business. The provinces will have greater control over their programs and will have to accept greater responsibility for the control of their costs.

Mr. Speaker, I should note here that the bill provides that any amendment proposed to Part VI of the new act, which will effectively reduce the right of a province, can be implemented only after a three year notice, unless of course the province involved accepts the amendment. Moreover, it provides that no notice will be given for at least two years. This provision ensures the provinces of stable and long term financing.

Mr. Speaker, I would now like to speak about Part VII of the bill, which replaces the Established Programs (Interim Arrangements) Act. This act, which was passed in 1965, provided for the special arrangements with Quebec and allowed opting out of certain programs. In the mid-sixties, the federal government suggested to the provinces that they agree to finance certain cost-shared programs in exchange for federal tax abatements. Quebec was the only province to take advantage of the federal government offer. At the present time, Quebec receives a special abatement of 24 personal income tax points, including three for youth allowances, five for the special welfare program and 16 for hospital insurance.

[*English*]

Mr. Broadbent: Is that special status?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member is familiar with the arrangements. He, of course, was not in the House at the time that was put through. I cannot recall whether his colleagues, under the leadership of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), supported that or not. I rather expect they did at that time.

Mr. Broadbent: Now would you answer the question?

Mr. Macdonald (Rosedale): Mr. Speaker, I am not sure whether the hon. member is for, or against, it. If he is advocating that we should make a change in these arrangements, perhaps we will hear from him in his speech to that effect.

[*Translation*]

As I have noted, Quebec was the only province to take advantage of the federal government offer.

The amount of revenues apportioned to Quebec is used to reduce the cash payments that the federal government should otherwise pay to the province. By reducing the equalization payments we get back from Quebec the three point value of the youth allowance program. The five point value allocated to the welfare program, which includes the Canada Assistance Plan, and the 16 point value under programs for hospital care is used to neutralize the transfers which would otherwise be required for these programs. Quebec does not enjoy more or fewer advantages than the other provinces with these fiscal arrangements. The only difference lies in the way the federal government makes its contribution.

These new fiscal arrangements will allow us to reduce the special reduction to take into account a reduction in federal taxation of 9.143 per cent. Therefore, the special reduction of 24 points for Quebec taxpayers will be reduced by 9.143 and will be fixed at 14.857. The situation will remain the same before and after the reduction in federal taxation. The remaining 14.857 points, amounting to 16.5 per cent of the new reduced basis and the present 24 points of the reduction will be reduced to 16.5 points. Out of the 16.5 points, 3 will be allocated to the youth programs, 5 to the special social welfare program and the 8.5 remaining points will be allocated to established programs. The final balance of the financial situation of the government of Quebec will remain therefore the same compared with that of other provinces.

● (1430)

[*English*]

Part VIII of the bill authorizes the federal government to enter into reciprocal taxation agreements with the provinces effective October 1 this year. These agreements will provide for the two levels of government to pay each other's consumption taxes. The reason for such agreements is to remove a lot of the uncertainty and dispute that has surrounded the paying of such taxes by government bodies in the past. To date, six provinces have agreed to enter into a system of reciprocal taxation with the federal government respecting consumption taxes. The six provinces are Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland.

Part IX provides for the necessary authority to make regulations pursuant to the act and for the recovery I referred to a few minutes ago.

Part X contains the consequential amendments to other legislation. It provides for the reduction in federal income tax rates to which I alluded earlier as part of the established program financing arrangements. I should note that certain adjustments relating to the dividend tax credit and to the income tax surcharge in the Yukon and the Northwest Territories will have to be made as a consequence of the new arrangements. These adjustments are not provided for in this bill but will be dealt with later in the session.

To the intense relief of hon. members and, might I add, of myself, that ends my review of the main provisions of the bill. I see in them a reflection of the accord reached between the federal government and the provinces following extensive discussions during the past year and a half. This is not simple legislation. Nor can it be simple if it is to serve its purposes in a country so large and varied in needs, resources and political outlook. It is complex legislation because it is highly sensitive to this great diversity in our confederation. Above all, it reflects the ability of our federal system to accommodate our regional differences in a manner that enhances the strength and well-being of the entire federation. Our federal system is a dynamic one and it can respond to changing circumstances. Perhaps this is so because there is a basic generosity and understanding that underlies our mutual accommodations. These are qualities of which Canadians can be proud. Moreover, they can become the crucial elements in meeting the threat of Quebec's independence and other expressions of dissatisfaction and discontent in other parts of Canada. We do have the instruments to meet these challenges. In its essential purposes, this bill is one of them.

Some hon. Members: Hear, hear!

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I want to begin by expressing, on behalf of my colleagues, our congratulations to the minister for his stamina in reading that long review, a stamina exceeded only by our own. We sympathize with him for having to go through the details of a very complex bill. The minister spoke earlier of the complexity of the legislation. I think it is fair for me to say that this complexity is understandable. We do not take exception to that as much as to the fact that what we are faced with here is a *fait accompli*, an agreement arrived at by heads of government meeting away from here without allowing parliament so much as an expression of opinion with regard to the options.

The minister referred, as I say, to the complexity of the bill. Our spokesman on federal-provincial relations, the hon. member for Kingston and the Islands (Miss MacDonald), will be referring later in the debate to some of the details of the legislation. Given all the mathematical equations and the nicety of the legal language, she has threatened to reply in Gaelic to match the complexity of the text. If she does show that initiative, she will earn a badge!

I want to speak more generally at this time about the nature of the country which these arrangements are designed to serve and about actions which we as a parliament might undertake to ensure the integrity of a confederation which is now under attack. As I have mentioned, the detailed response to the bill will be provided by my hon. friend. We are, of course, supporting in principle the legislation which is before us. In effect, we have no alternative even if we found there was cause for serious disagreement since, as I have pointed out, while this bill is being debated in parliament, it was decided outside parliament, and that is a system which must end—

Some hon. Members: Hear, hear!

Mr. Clark: —not least because, as my hon. friend from Esquimalt-Saanich (Mr. Munro) has stated, the process of debasing and demeaning our national institutions by taking power away from them is one of the causes of the decline in the sense of national spirit and national identity.

I want to begin by expressing my view that, while the challenges which face the country today are serious, there is no question at all that we as Canadians can hold this country together.

Some hon. Members: Hear, hear!

Mr. Clark: Indeed, there is no question that the present central crisis may be one of the most important elements in helping us not just to stay together but to build together as a country. Nations are like people. They need challenge. It brings out the best in them. It forces them to stop engaging in petty disputes, to stop fooling around. We have been ignoring reality for too long, lately, in this country. The November 15 election in Quebec forced us to face reality. We learned dramatically that separatism is not dead. But the lesson of deep discontent with existing national arrangements was there to see, for anyone who was looking, well before November 15. It might prove to be one of the ironies of our era that the election of a party dedicated to the partition of our country was the catalyst which forced us to adopt reforms which could bring this country together.

The bill before us, dealing as it does with arrangements to maintain confederation by helping it to function, provides a good occasion for us in the House of Commons to face the elements of the Canadian reality in 1977. The obvious chal-

lenge exists in the province of Quebec where a significant number of French-speaking Canadians believe their culture and community are not sufficiently protected in the present Canadian context. A minority among them is committed to an independent state. A great many others share a concern for the culture but are not persuaded to independence—at least not yet. We in the parliament of Canada, in the public life of Canada, must demonstrate that reforms in the Canadian federal system cannot only encourage that culture but protect it better than in a smaller, more insular, more exposed state.

● (1440)

Some hon. Members: Hear, hear!

Mr. Clark: For our part in this party, Mr. Speaker, we would be prepared as a government to proceed seriously with reforms which would encourage and protect the French culture in Canada through language law, a more flexible communication policy and other administrative jurisdictional changes that frank discussion demonstrates are necessary. But, sir, the second challenge for us all is to recognize that the strains on Canadian unity are not confined to culture; nor are they confined to Quebec. When people cannot find secure work in a rich country like Canada, they are more likely to ask if the system itself works. As I indicated in the House the other day, our failure as a country, and the failure of this government to generate economic growth, feeds two kinds of frustration both of which corrode confidence in the Canadian system. One is the frustration of the disadvantaged when unemployment is high and prospects are few. The other is the frustration of the entrepreneur, most evident in western Canada, where there is a sense that the Canadian system is stacked against that region's instinct to build and to grow.

I want to speak for a moment about western Canada and what is happening there. In geographic terms, while there is no significant cultural concern in western Canada similar to that developing in Quebec, there is a growing sense of grievance in the west which is particularly menacing because that region's sense of connection with this country has always been less secure than in the older parts of Canada. It is tempting to dismiss western anger as being selfish or unjustified, just as once it was tempting to dismiss the early Quebec separatists as eccentric. But it is, in fact, quite justified for the west and for Atlantic and northern Canada to note that national policy, from the construction of seaways through to most transportation and tariff policy, has encouraged growth to concentrate in Canada rather than to disperse in Canada. One of the facts of life in Canada, one of the positive facts, is that we must continually demonstrate the worth of this nation to its parts, and that challenge is alive again today in most parts of the country.

Some hon. Members: Hear, hear!

Mr. Clark: That, sir, is in the nature of a federal state and it is important for us to remember it as we consider some of the practical, political arrangements of our system. Politicians sometimes talk of constitutions and relations between governments as though they had some kind of compelling magic of their own. Yet my colleague for Kingston and the Islands posed a good question in Toronto the other day when she asked, "What Canadian explains his feeling for his country in terms of the British North America Act?"

An hon. Member: John Diefenbaker.

Mr. Clark: The hon. member knows that when the right hon. member for Prince Albert (Mr. Diefenbaker) expresses his feeling for his country, as he does so eloquently and so effectively, he does it on a much wider range of questions and with a much deeper sense of the country.

Some hon. Members: Hear, hear!

Mr. Clark: The fact is that the arrangements in this bill, important as they are, are not the essence of this country. They are not even the furniture of this country; they are just the plumbing. The plumbing is important; it lets the country work and keeps it comfortable. There are some statutes which express the aspirations and the standards of this country. There was reference to the right hon. member for Prince Albert. Clearly, one of the statutes which does that is the Bill of Rights which was introduced in his day. Some day, sir, aspects of our constitutional documents may attain that status.

It is important to keep some perspective on most of these arrangements. They are simply arrangements. It is not fundamentally important to Canada what level of government controls, for example, cable television in the country, so long as the system works. What has been going wrong in Canada recently, and what has been contributing to the sense of strain in the nation, is that the federal government, this government, has been so preoccupied with the plumbing that it appears to have forgotten the spirit which makes this system work. The challenge particularly for this government now—because it is in office and has been in office through a decade of rigidity—is to change its rigid approach to its relations with the other partners in confederation. It may be that that has begun. None of us knows quite what to make of the speech of absolute reversal of position made by the Prime Minister in Quebec City, outside this House, two or three weeks ago, but I think it is fair to say that we will need more than a speech and a unity secretariat to demonstrate that there has been a fundamental change in the approach of this government to its relations with its partners.

I think it important to trace the two fundamental mistakes which this government made when dealing with the provinces during its tenure of office. The first was, in effect, to ignore the reasons for the federal nature of the country, to ignore the fact that only a federal system can respond to our diversity as reflected in the consistent attempt to impose Ottawa programs uniformly even where they did not fit. The second was always to treat the provinces as adversaries. We had another instance of that today, as recently as the question period, when the Minister of Finance (Mr. Macdonald), I suppose doing the best he could with the brief he carried, was actually suggesting

that the onus for acting on a federal Liberal campaign promise rested with the provinces.

No one would suggest that we can have a federal system without tensions, without differences between the central government and the provinces. Such tensions and differences have always existed, and they always will. They are part of the essence of federalism, part of the essential nature of our country. The issue is whether they are creative tensions and genuine differences, or whether too often they are destructive and contrived—whether they flow from the challenge of federalism, the challenge of our country, or whether they reflect an excessive rigidity by one of the partners or a deliberate attempt to pick a fight for perceived political advantage.

In my view, sir, we have had far too much of the latter in recent years. If you take a look at the previous governments under previous prime ministers—that of the right hon. member for Prince Albert, that of the late Mr. Pearson—we can find that there were tensions and differences between the partners in confederation. But there was an overriding spirit of co-operation and conciliation. There was no attempt to divide and conquer, no attempt to stage a confrontation. There was a genuine willingness to seek to accommodate national goals and national needs with regional aspirations. There was, in short, an honest effort to promote and sustain co-operative federalism.

One could cite many examples. Under the government of my colleague from Prince Albert the roads to resources program was adjusted from its original form to include tourism development to make it more relevant and more useful to the maritime provinces. Under his government, thanks largely to the initiative of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) and the hon. member for Brandon-Souris (Mr. Dinsdale), the Canadian Council of Resource Ministers was created, not to bicker over jurisdictional points but to draw together the governments concerned to promote the fullest possible mutual understanding and co-ordination in an area of shared jurisdiction.

● (1450)

Probably the best known case of co-operative federalism under Mr. Pearson's government was the effort made to accommodate Quebec's particular needs and desires in the area of contributory pensions. But one should only mention the adaptations made to the Trans-Canada Highway program to better suit it to the special needs of certain regions of the country. I wish that I could find the same kind of spirit, the same kind of example, in the record of this government. Unfortunately, the examples that come most readily to mind, examples in certain areas such as energy policy, resource taxation and the phony conference on economic opportunities held in western Canada, bespeak not conciliation and co-operation but confrontation and a kind of unilateralism which is bound to breed distrust and feed a sense of regional grievance against the centre of the country.

We need to restore a sense of partnership to the relations between the governments in Canada and the sense of partnership among the individual citizens of the different regions of Canada, and to do that clearly we must be prepared to modernize our federal system to ensure that it better reflects and better respects the regional realities of Canada.

In terms of constitutional change, there is a clear place for us to start now. The premiers of all the provinces have indicated the questions where they think discussion is most urgent. The Prime Minister (Mr. Trudeau), in his celebrated reversal in Quebec City, indicated that he is prepared to start with a clean slate. I leave it to him as the leader of the government to take the action that he should take. I simply say that if the responsibility for government were ours today, we would sit down with the premiers and discuss seriously the priority areas they identify, including references to language rights. When that responsibility is ours, we will begin by seeking the views of the members of the thirty-first parliament as to the kind of constitution which would best serve modern Canada.

Some hon. Members: Hear, hear!

Mr. Clark: We would encourage the premiers to similarly consult their legislatures, and then we would meet the other heads of government in an open atmosphere and in the spirit of seeking agreement, first on goals and then on jurisdictions. Much can be accomplished without formal constitutional change. We have—and I have referred to some of them—examples of creative federalism in the years of the Diefenbaker government. I mentioned the Canadian Council of Resource Ministers, the ARDA program and several other initiatives. I think it is very important for us to begin again, in areas where jurisdiction is shared, to bring governments together to agree on goals, not simply to fight about jurisdiction but to emphasize the areas where we can co-operate rather than insisting on the areas where we have to disagree.

Again, we would be interested in pursuing, with the provinces, the development of mechanisms which would ensure that when one level of government acts within an area of its exclusive jurisdiction there was some means to ensure consideration of the impact of that action on other levels of government, even if they did not have a formal right to become involved under the constitution. Clearly, if the actions of one level have an impact upon another level of government, there must be some means for the affected level to be consulted before the fact.

In that same spirit we think it essential to ensure that national institutions, including the other place, the Senate, are in a better position to fulfil their functions as representatives of the whole nation. I have spoken before about my willingness to sit down with heads of other governments in the country, with the premiers of the provinces and others who are concerned, to discuss means by which we might ensure that the other place, the other part of this parliament, is better able to carry out its original founding function of representing regions.

Some hon. Members: Hear, hear!

Mr. Clark: We would also—I reiterate this point because it should be a matter of offence to all of us in the House today—restore the capacity of the parliament of all the people of Canada to have some influence upon matters of such major national importance as the legislation before us today. Today, more important decisions on the future of Canada are made in the conference centre across the street than are made here in the House of Commons. That defies not only the principles of democratic government but also isolates the process of decision-making from the diverse and legitimate opinions which exist in the House. One of the means to restore respect for national institutions is to give these institutions meaningful work to do. I have indicated on other occasions the wide-ranging reforms we intend to bring to parliament to restore its capacity to contribute to national business and, when necessary, to restore its capacity to control the governments, a capacity which it no longer enjoys.

Some hon. Members: Hear, hear!

Mr. Clark: One of those reforms will be to ensure that there is an opportunity for this parliament to discuss the options open to heads of government before they secrete themselves away at a private dinner to decide the nation's future. Our federal parliamentary system was not developed by accident or simply by a blind importation from elsewhere. We are a diverse country and we need institutions which both reflect and accommodate that diversity. The best institution for that purpose has been parliament, because it draws its membership from every corner of the country and has traditionally encouraged its members to express the views of their locale.

But parliament was never designed to be simply a talking shop: the assumption was that the Prime Minister and the cabinet who came from parliament would heed the views of the various locales. If they did not, in theory parliament would bring them down. But parliament, the forum of diversity, has lost this control over the executive, and the Prime Minister is increasingly able to construct a government which reflects his own views better than it reflects the diversity of the country.

Some hon. Members: Hear, hear!

Mr. Clark: If that double-trend continues—the weakening of the forum of diversity and the empowering of a particular group—those regions and attitudes which lack power will naturally tire of the system and seek some other options. In effect, most of the federalist concern since the Quebec election has focused on the question: Can a Quebecer be a Canadian?

We can ask the question, as well, of residents of any other region—and it is important for us here in this assembly to remember that that question is not new. There are wise words from Professor Northrop Frye in his preface to his book "The Bush Garden, Essays on the Canadian Imagination", in which he writes:

> It is not always realized that unity and identity are quite different things to be promoting, and that in Canada they are perhaps more different than they are anywhere else. Identity is local are regional, rooted in the imagination and in works of culture; unity is national in reference, international in perspective, and rooted in a political feeling.

I think it is clear to us that the Canadian challenge has always been to balance the regional and the national without obliterating either. Today, the temptation is to retreat into the regions at the risk of losing sight of the nation. But that is a reaction to the trend in recent years where the tendency, fueled by this government, has been to impose a form of so-called national unity which has threatened local identity. The country was committed to universality in social programming, which suggested that we treat all regions as though they were the same, although we knew they were not.

● (1500)

Of course national standards are necessary in this country, and we in this party will maintain that as a basic principle, but it is also necessary for us to sit down with the provinces and discuss the kind of flexibility which might be built into national standards to ensure that both national and local aims are realized, because in the name of national standards and joint programs this government has forced some provinces to forgo some programs which the duly elected governments of their locales thought would better serve their needs.

The central government has refused to move on cable, refused to grant provinces effective control of their offshore resources and continues to stall provincial status for the Yukon, all refusals which seem funded either on a fear of the regions or on an arrogant belief that the national government can understand local development better than can local governments. That arrogance is misplaced, and it is the unanimous view of the members of this party and of most of the country that we have nothing to fear from strong regions as long as there is a strong national government too.

Some hon. Members: Hear, hear!

Mr. Clark: Indeed, there would be incalculable harm to Canada if we were to destroy the defining capacity of our local places and the defining identity of each of us who comes from those places to take our seats in this House of Commons, to bring the benefit of that experience to the cumulative business of Canada. Our virtue, as a Canadian community, is precisely that there is not one single way of being a Canadian and no uniform way of expressing our identity. Most of us enjoy that freedom from uniformity. It has let some fo us become a Maureen Forrester or a Bobby Orr. It has allowed others to raise good families quietly or to pursue other private goals. Political freedom is rare enough in the world, but the kind of social and cultural freedom which is the hallmark of Canada is even less common.

We have established here, partly by design and partly by the accident of history, a respect for differences and a tradition of diversity which is rare and valuable, and without which we would all be much poorer. Most of us define ourselves by where we come from, so there is always the danger that we will also confine ourselves to where we come from. This nation is rare in the opportunity it allows us to keep our roots yet to go beyond them. The particular challenge to us, I think, was expressed in the quotation earlier from Professor Frye because

he made the point that the essential task of unity is a political task. It is a challenge and a responsibility to those of us who work in this profession to make institutions like the Parliament of Canada work as an agency which not only reflects the country but also allows it to move forward. In my judgment, and in the judgment of my colleagues here, we have important work to do to re-establish the strength and the capacity of our national institutions to command the attention and respect of the country.

I want to quote a western author, Wallace Stegner, who remarks in one of his works that "history is a pontoon bridge. Every man walks and works at its building end". That phrase, "the building end", describes a spirit we find uniquely on this continent. We have a place to build, and that sense of opportunity drew many of us and many of our ancestors here from more traditional places. That same spirit also provided the imagination and the energy to start great ventures and to dream large dreams. We have lost something of that sense in the last decade, when our political priority has been security rather than expansion. We have important programs of social justice and security in place now, and it is time for this country to begin again to build.

Some hon. Members: Hear, hear!

Mr. Clark: It is time to remind Canadians of our unique opportunities and to provide them with the means and the encouragement to act. In some cases that requires incentives to allow those with resources to develop them; for others it means providing the jobs and training which provide a base for building. That capacity to build, to grow and to achieve one's own identity and to make one's own future is the promise and the nature of this country, and what we are discussing today in the legislation before us is part of the plumbing, part of the arrangements, which keep that kind of country in place. However, what we really must face in this parliament and elsewhere in the months to come is the larger question, not of the arrangements of the country but of the integrity of the country. We need to establish again a unifying sense of purpose, a sense which applies to building, a sense that there is more to Canada than simply conflicts over constitutions or tax points. This requires us, as members of parliament, to look upon other governments and members of other legislatures in the land not as adversaries but as partners. There has not been enough of that atmosphere of partnership in the country. Its absence has contributed to our present problems as a nation.

As I said at the beginning, we accept the arrangements which are before us, but we do not accept the atmosphere which has characterized the relations between the governments of this country for the last decade, arrangements of conflict, of confrontation and of controversy. If we are to retain the strength and the integrity of this nation, we believe that we must restore a sense of co-operation and of partnership, and it is to that purpose that we in this party are dedicated.

Some hon. Members: Hear, hear!

[Mr. Clark.]

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, at the outset I would like to thank my Conservative colleagues for their rousing round of applause as I got to my feet.

Mr. Hnatyshyn: We thought you were finished.

An hon. Member: You are deluding yourself again.

Mr. Broadbent: More than any other piece of legislation since parliament resumed last fall, this bill tells us what kind of Canada the Liberal party now believes in. I say this because the subjects involved—cost sharing for post secondary education, medicare, hospitalization and equalization—go to the very roots of the federal system, and I for one would have liked to have heard what the official opposition had to say on precisely these topics.

I listened with considerable care and no mean interest to see if the specific proposals which really do deal with fundamental questions which are found in this bill were going to get the endorsation or criticism of the official opposition, but I certainly heard nothing in that regard today. They are the fundamental aspects of a fundamental statement that we are dealing with, and they are at the core of this bill. They tell us something basically important about the government. Does it really believe that a woman working in a fish plant in Newfoundland, for example, has full equality in terms of certain aspects of life when compared to a bank clerk in Toronto or a rigger at some oil well in Alberta? I say this is what is involved precisely because the expectation for the lives of families in all these three areas and indeed throughout Canada, will be significantly determined by the capacities of the provincial governments concerned to provide for medical and hospital services, education, and other direct services dependent upon provincial revenues, all of which are determined by this bill for years to come.

● (1510)

A Canadian government believing in justice must work constantly to achieve equality of condition in certain major aspects of life. Without it, not only is our sense of fairness offended but also our commitment to nationhood in a federal society falters. Regional inequities in such matters are not only unjust, they produce disunity.

This morning the minister described the bill as a "latter day evolution" of our system of transfer payments. This bill does not represent evolution at all. It is the first major step toward the balkanization of our country; it is a step backward in history which may do us all untold damage in the years ahead.

Before elaborating on this point, I want to say something about the position the provincial premiers took on this set of proposals. Contrary to what the Prime Minister (Mr. Trudeau) has told us, and contrary to what the Minister of Finance (Mr. Macdonald) suggested, the financial conditions established by this bill were not agreeable to the provinces. Speaking on their behalf at the meeting of the first ministers on December 14, 1976, Premier Lougheed said, and I quote from the official transcript of the meeting which, of course,

was a closed meeting, but this is what he said as part of his summary of the reaction of the provinces:

> . . . all the provinces are of the view that the proposal . . . is inadequate, but a number of provinces felt they were left with no alternative but to accept it.

Since the provinces realized that the final authority rested with the federal government, since existing arrangements were due to terminate on March 31 this year, and since they believed that if they did not accept this package of proposals worse still might be thrust down their throats, to put it bluntly they accepted, just before Christmas. As Premier Lougheed put it, "they were left with no alternative". This "no alternative" proposed by the federal government and rejected in detail by all the provinces has just been accepted in principle by the official opposition in the House of Commons, I might also note.

I want now to go to what I regard as the essence of the details put before us in this complex bill today. The fundamental changes that the government is making in our system of financial relations between the government and the provinces is to be found in the manner it proposes to finance continuing expenditures on hospital insurance, medicare and post-secondary education. The inevitable effect of these proposals is to downgrade the national government's role in ensuring minimum standards in health services and in post-secondary education. The inevitable result is to put the total risk of innovative programs in these fields on the provinces. And the inevitable result, I regret to say, is to make the richer provinces of Canada richer and the poorer provinces poorer.

At present, the federal government pays 50 per cent of costs of approved medicare and hospital insurance programs, and 50 per cent of operating costs of post-secondary education. Although this arrangement gave greater advantage to the wealthier provinces than is desirable, for the obvious reason that even if they only have to raise 50 per cent of the cost it is easier to do so for the wealthier provinces than it is for the poor—it was none the less a desirable approach to paying for needed social programs, for two important reasons. First, the federal government was helping the poorer provinces provide services on a continuing basis which they might not otherwise be able to afford. That surely is important. Second, the federal government's share on a 50-50 basis of the financial risks inherently involved in any new program made the burden of innovation in these important areas of Canadian life less risky to the provinces. Again, this is an important plus for the existing arrangements.

Having said this, Mr. Speaker, the existing financial arrangements have not been without their problems. The federal government was harsh and inflexible under the present Prime Minister in applying programs in these fields. For example, it applied the 50-50 formula in the hospital field only to expensive acute care hospitals but not to more effective health care delivery systems such as nursing homes and community health services. This is an important point in the fundamental inadequacy of the administration, not of the financing, of these existing programs.

What should have been done to correct this was to make the financing more flexible. This could have led to the inclusion of nursing homes and related facilities, and ultimately to a lowering of health service costs. That would have been an imaginative and flexible approach under the existing arrangements. Instead, the federal government first placed an arbitrary ceiling on the amount it would contribute to these programs. This inevitably, as the government knew, increased the burden on the provinces, and proportionately put an even greater burden on the poorer provinces. Not content with that element of unfairness and inequity, the government produced the regressive proposals which resulted in the bill we are discussing this afternoon.

What has the federal government come up with as a solution to this very significant problem of existence in Canada—the very significant problem associated with paying for post-secondary education, medicare services, hospital insurance and provisions of all kinds? It has replaced the 50-50 cost-sharing formula with a proposal which removes entirely its 50 per cent of obligation with the transfer of 13½ tax points, plus some slight equalization compensation to be made to the provinces.

What this amounts to in substance is equalization in reverse. A tax point varies in value to the provinces from $4 per head at one end to $10 at the other end depending on the province. The "equalization"—and in this context I put that in question marks—formula proposed by the federal government is based on the national average instead of the richest province. These are combined, and the net effect is that the richer provinces of Ontario and British Columbia come out on top.

According to confidential internal Department of Finance tables, Canada's richest province, Ontario, will reap a bonanza of $1.3 billion over the next ten year period as a result of this legislation. That is $1.3 billion more than any other province and more than that province is getting currently under existing arrangements. That is the kind of proposal to which the official opposition gave its official endorsement in principle today. What a package of proposals. It is going to make the richest provinces of Canada richer and inevitably work against the majority of our low income provinces.

● (1520)

An hon. Member: Where were you when our leader spoke?

Mr. Broadbent: I was right here.

Mr. Woolliams: I wonder if the hon. member is going to tell the people in his constituency that he is in favour of the people of Ontario paying higher taxes.

Mr. Broadbent: Mr. Speaker, unlike the Conservatives, members of the NDP say the same things in all parts of the country.

We have, then, a government solution which not only imposes the continuing financial burden of medicare, hospital and post-secondary education services on the provinces but, as well—and this is of equal importance—favours the rich prov-

inces directly, by equalizing the tax point transfer to the average, not to the top.

It cannot be argued that the government was unaware of the consequences of this kind of change. The Prime Minister himself said at the December meeting "the richer provinces were bound to benefit more from the tax point transfer than were the poorer provinces." I am quoting from the transcript of the official proceedings of the meeting. I hope when Conservative members go back to their constituencies in Atlantic Canada, they will make it clear that the principles they are supporting today will make it clear that the principles they are supporting today will have negative effects in Atlantic Canada. When they return to their constituencies I hope they will not reverse their position on this legislation. I hope they will not do what they did with regard to the government's unemployment insurance changes when they discovered the implications of those changes.

Mr. Woolliams: I thought that was a good amendment.

Mr. Broadbent: Knowing that the rich provinces were bound to benefit more from the tax point transfer than the poor provinces, the Prime Minister proceeded to force on the provinces the most regressive set of federal-provincial financial measures to be brought forward since the Second World War. I see this move as reflecting a philosophy of federalism which is inherently unfair and dangerous to national unity. One of the factors holding Canada together is a social security system which has common elements from coast to coast—unemployment insurance, family allowances and old age security. Canadians share these on an equal basis, not on the basis of the ability of their provinces to foot the bill. They identify in part with the nation's capital because they perceive the fairness of treatment involved in these programs. Until now many of us in the House of Commons regarded hospital care, medical services and post-secondary education as permanent parts of this attempt to build equality of condition across Canada.

The introduction of this bill means that inequality in Canada will increase, not diminish. The wealthier provinces will be better able to maintain and improve their positions in all these fields. For the poorer provinces the situation is reversed. For them it will be more difficult to maintain present programs and almost impossible to introduce new ones.

Giving the poor provinces additional tax points is analogous to saying that millionaires and poor people have equal rights to buy cadillacs. Basic and central to this proposal is the fact that some 13.5 tax points are being taken away from the national government, which is in a position to correct glaring inequalities, and given to the provinces. Just imagine what 13.5 tax points will mean for Prince Edward Island, as opposed to what it would mean to Ontario, Alberta or British Columbia. No wonder people interested in fairness find this proposal repulsive.

The NDP has always believed that the national government must play a major and innovative role in Canada's social security programs. It is absolutely essential, for the sake of equality in Canada, that the national government should innovate and maintain programs of high quality in all regions. It is absolutely essential, for the sake of national unity, that Canadians wherever they live in this country, whether in Cape Breton, Toronto, Calgary or the Gaspésie region of Quebec should perceive that when they participate in certain fundamental programs they are treated as equals. In this bill we see the beginning of the categorical rejection of the co-operative federalist approach so imaginatively embarked on in the 1960's by the late prime minister Pearson. He took up the challenge thrown out by a number of Canadians and, in the name of decency, used the powers and financial capacities of the central government to make the country's social programs fairer for all.

By introducing this legislation, and I say this with care and seriousness, the government has begun a process of balkanization which, in a few years, could pit the rich provinces against the poor provinces in a way we have not experienced for decades. That should be of concern to everyone who is disturbed by the crisis of Confederation.

Unless significantly corrective steps are taken soon, the full impact of this bill on our country's future will be negative indeed. Therefore, because we believe in national standards, because we believe that Canadians one day ought to live together in a state of genuine equality, and because we are very much committeed to maintaining a sense of unity in the country, which can only come about if people share on a common basis the benefits of citizenship, we reject this bill, will vote against it and will, in the years ahead, just as we have in the past, propose a positive role which the federal government should play in these areas of concern.

Some hon. Members: Hear, hear!

Mr. Woolliams: I didn't hear much applause. I would have clapped if I had known there would be so little response.

Mr. Broadbent: I would be concerned if you thought my speech good, Eldon.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I was here when the Minister of Finance (Mr. Macdonald) began his statement, but unfortunately I could not come back at two o'clock because there was a delegation in my office and they did not leave before three o'clock. I would have liked to hear the entire speech of the Minister of Finance as well as that of the Leader of the Official Opposition (Mr. Clark). Nevertheless I want to say a few words on the beginning of his statement which surprised me at first because he was apparently congratulating himself for the last fiscal agreement and the last meeting with his provincial counterparts.

We were under the impression that his first meeting with the provincial finance ministers had not been successful because for the first time the ministers stood united against the federal Minister of Finance. This is why I am somewhat surprised by the comments of the minister who gives us to understand that everything was fine. According to him, the

provincial leaders left quite satisfied, because after his failure with the provincial finance ministers he had to appeal to the premiers. Here again the premiers kept their proceedings open at the beginning, but then had to meet behind closed doors as they do each year and discuss. I am told that discussions were sometimes rather heated, that there was the odd skirmish, but nothing else can be said because it took place in camera. Strangely enough, the country's problems are always solved in camera. The storm over, the Minister of Finance (Mr. Macdonald) comes in the House and says: All is well. Everyone was singing. And yet the echoes coming from the province of Quebec are quite different. Quebec newspapers report that the Quebec finance minister, the premier and their colleagues are not altogether satisfied with the arrangements.

Obviously, they had to accept at last the small share they were offered, so they said, because once more we really do not know what happened and we may never know, as for the 40 other federal-provincial meetings. It is always a game of hide and seek for parliamentarians. All they say in Quebec is that Quebec is not at all satisfied.

I heard someone say a moment ago that the richer provinces will be the beneficiaries. Of course they will, because they are the ones that pay more. They are also the ones from which more is withheld. When Quebec spokesmen request tax powers in areas under their jurisdiction I believe they are right in making such claims, even though the minister says that finally an agreement has been signed and $8.5 billion have been definitely returned to the provinces. The breakdown of these $8 billion is as follows: transfers in the amount of $5.5 billion, tax points in the amount of $3 billion, that is 13½ per cent of tax points.

● (1530)

Well, Mr. Speaker, I think that if the government had wanted to be honest, to be fair, it would simply have returned to the provinces those 8 billion in fiscal points, because they relate precisely to three provincial jurisdictions: health care, hospital care and education. The federal government enters the field of education with both feet through post-secondary education, and then it says education comes under federal jurisdiction. That is not true, education belongs to the provinces under the British North America Act. The health field also belongs to the provinces, and here comes the federal government, saying it has been tolerant toward the provinces, it has been good, it has been a good father because it gave them, after long disputes, 13 and a half fiscal points.

I am sure that is not what Quebec wanted. What it wanted was at least 38 or 39 per cent in fiscal points, and not the charities made to the provinces. That is what I call those fixed amounts, charities. If we really want to restore Confederation, if we really want to get the provinces to have more frank and open discussions, let us give them back their rights and they will come and discuss according to their rights. For the moment, we are simply giving them crumbs of their rights and keeping the lion's share for ourselves before later redistributing it at our discretion.

Many will say that some provinces are happy with that. Of course! Some provinces get a lot of money out of equalization programs because the federal government says we must deal with regional disparities and we all know that some provinces expect to get more from the federal government. But why should we sap the power and ressources of the provinces only to try to even out the benefits among all the provinces? Mr. Speaker, would it not be wiser to let the provinces do themselves justice rather than play referee between all the provinces? That is where the government is going wrong.

Mr. Bernard Loiselle (Chambly): Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Chambly (Mr. Loiselle) on a point of order.

Mr. Loiselle (Chambly): Would the hon. member be prepared to answer a question?

Mr. Deputy Speaker: Would the hon. member for Roberval (Mr. Gauthier) be prepared to hear the question of the hon. member for Chambly?

Mr. Gauthier (Roberval): He can always ask it.

Mr. Loiselle (Chambly): Mr. Speaker, I would like to know whether the hon. member for Roberval is in favour of the 10 different systems of hospital insurance and of a different social program in each of the provinces of Canada or whether he believes in national unity and thinks that there should be similar systems throughout the country? This is my last question: could he tell the House whether he really knows the requirements set by Ottawa to enable a province to take part in the cost-sharing program?

Mr. Gauthier (Roberval): Mr. Speaker, I am pleased about this question. The hon. member is asking whether I am in favour of the 10 different hospital insurance systems? Am I right?

Mr. Loiselle (Chambly): Yes, you are.

Mr. Gauthier (Roberval): Of course, I am for 10 systems; I am clearly opposed to the establishment of 11 different systems. The area of health must be under provincial responsibility. We now have 11 different systems but we do not have 11 provinces, only 10. Therefore, Mr. Speaker, I am in favour of eliminating duplication at the department and civil servant levels because it costs twice as much to Canada.

● (1540)

The administration of provinces is reflected in the federal government and people wonder why it costs so much, why budgets are so big. But of course budgets are big because with its taxation power the federal government has invaded all provincial fields to get the money. It creeps into all those fields, so it gets all the money. Health belongs to hospital administration which comes under provincial jurisdiction: it is

a provincial field of legislation. Education belongs to the provinces, not to the federal government.

Ottawa has invaded those fields because one day the provinces yielded their taxation powers at the request of the federal government in 1942 and it has kept them ever since. It pretended back-tracking but kept on invading and that is just what we are opposing: we do not want one system but ten. The province can look after its patients. Each province knows its needs; it is that kind of thing that Quebec is fighting for and it is justified to do so to keep its field of jurisdiction.

We will have a confederation when provinces have their autonomy and can live; it is somewhat like in a family. If the municipal council rules everything in the family, what is going to happen? What is going to happen is what is now happening in the provinces, because the government interferes too much in provincial business. That is all. All cards are mixed up. We surely have to . . .

Mr. Deputy Speaker: The hon. member for Chambly (Mr. Loiselle) again on a point of order.

Mr. Loiselle (Chambly): Mr. Speaker, will the hon. member for Roberval (Mr. Gauthier) allow me another question?

Mr. Gauthier (Roberval): Mr. Speaker, of course, the hon. member for Chambly may ask me another question.

Mr. Loiselle (Chambly): Can the hon. member for Roberval explain how federal shared-cost programs—if he knows at all the terms under which the federal government, as he says, expects the provinces to operate—downgrade the autonomy of the ten Canadian provinces?

Mr. Gauthier (Roberval): Mr. Speaker, what an odd question! How do you downgrade someone's rights when you encroach on his land? You just walk right into his house and then ask: How am I undermining your authority? Why, you should not be that ridiculous! We know that today it is more expensive to have two collectors instead of one. Besides, the minister proved it the other day in the House when he said that when the federal government collects in Quebec or in other provinces, it gives them one-fifth of the amount collected. That's all, it is clear! We cannot afford to pay four-fifths to a collector. In our fields—I am still speaking about our provincial jurisdictions—if the provinces interfered with matters under the federal jurisdiction, I would be the first to tell them to beat it. But when the federal government interferes, for instance, with matters under the provincial jurisdiction, saying that it is much better and will be less costly for them, what is to be said? That's it, when they need a collector, they will pay four of them and pretend it is better this way. Collectors are not what we need, we must try to keep our credit and our money as well as administration powers in our provinces, our regions, and in matters which come under provincial jurisdiction.

We will have peace, but why all these fights in Canada? There have been fights since the federal government has interfered with provincial matters. As far as I know, it goes back to that time, to the "great invasion." Everything had to be centralized here in Ottawa. All taxation powers had to be kept here in Ottawa to redistribute revenues later on to the provinces, as if they were too stupid to meet their own citizens' needs. That's it! Take for instance the field of education: post-secondary education is all very fine; I will say a few words about it: I deal a lot with that matter in my constituency. But it is ridiculous! You should know how much is spent for nothing in this area, and we do not know where to go. Financing is secured by the federal government, but the teachers are hired by the provincial government. There are courses in there that are not worth a nickel but that is paid by the federal government. The federal government's money must be used. But come on, if the percentage of taxation powers necessary to administer the whole province was there. Do not forget that Quebec is paying for those courses. They are given by Quebec teachers paid by the federal government. Why is that? If it were given its taxation rights would Quebec not have the means to pay its teachers just as well as the federal government? We know that when the federal government gets $5 from Quebec it gives $1 back. Come on, those teachers cost a lot in the end.

That is why I say a common effort will have to be made concerning the remittance of taxes. It is all very nice for the minister to start by returning 13.5 per cent. He should have returned 40 per cent. He would have been left alone, and all the premiers would have gone back happy. But no, he is again going to give them an amount of money, $5.5 billion with $3 billion worth of tax points. It is a small gain but the provinces must earn all the points. It is funny to hear me say that, because I am a federalist. But I want everyone to work in his area, and then we are going to have peace. As I said earlier, if the mayor of a city should try to tell the father of a family what to eat, how to dress and how to act in his home he is going to get thrown out. It is the same thing for the provinces.

Quebec is being shouted at today, and people find it extravagant and unfair but it is only asking for what belongs to it. It never asked a single thing of what belongs to the federal government. Never. That is all it is asking, as well as the other provinces. I sat the other day with the provinces of Alberta, Saskatchewan and British Columbia. It is the same thing for them. They are clapping hands and very happy. They said, that is the autonomy we have been asking for for years to be able to serve our people—the necessary taxation power to give them equivalent services. That is not asking for the moon, and that is all they are asking for. Not only Quebec, but all the other provinces ask for this! But why do we insist, and this is where I do not understand the Minister of Finance (Mr. Macdonald), why do we still keep the taxation powers for ourselves? Why? You want Canadian unity? I want Canadian unity myself, but let us act accordingly. As long as you act like you are now doing with your centralization, your dictatorship over the provinces, the provinces will revolt, and you have not finished yet! Give them back what belongs to them, this is all that they want, and take care of your own business.

Take care of your own sector, the federal sector, and you will have quite enough to do to administer your sector well. You are not even able to administer your own sector as you should, and you want to interfere in provincial sectors. Let us start simply by doing something honest and logical, then let us give back to the provinces what is theirs, and you shall see how well federal-provincial conferences will go! They will not be a farce like you said earlier. You may hold up your fist and tell Parliament: "It went like a charm!" Yes, it went like a charm if it is a boxing round that you had in mind, but that is not all that we want. If you want to save Canada, this is not what you should do, and it is a French Canadian who is telling you this! If you want to save Canada, stop acting like that and be careful! Give each province, and not only Quebec, its own rights, and then we can start to write a new constitution and to live in a new Canada.

[*English*]

The Acting Speaker (Mr. Ethier): The hon. member for Kingston and the Islands.

Miss MacDonald: Thank you, Mr. Speaker. May I call it four o'clock?

Some hon. Members: Agreed.

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

Mr. Baker (Grenville-Carleton): I believe there is consent to proceed with private member's motion No. 6.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Is it agreed that all motions prior to motion No. 6 stand at the request of the government?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

[*English*]

EFFECT OF ARTIFICIAL FOOD ADDITIVES ON CHILDREN AND ADULTS

GOVERNMENTAL EXAMINATION RECOMMENDED

The House resumed from Friday, October 29, 1976, consideration of the motion of Mr. Yewchuk:

That in the opinion of this House, the government should take independent action to examine the relationship between artificial food additives and hyperactivity in children as well as between additives and behavioural changes in adults.

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

Mr. MacFarlane: Yes, Mr. Speaker. I believe I do wish to say a few words.

The Acting Speaker (Mr. Ethier): I think I should explain to the House that I did not recognize the hon. member for Athabasca (Mr. Yewchuk) because he moved the motion and has spoken on it previously.

Mr. MacFarlane: I merely want to clarify the situation. Actually I believe there is another speaker on Your Honour's list who comes before me.

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I am pleased to have an opportunity to make a contribution to the debate on this important subject, one about which we are just as concerned as the hon. member for Athabasca (Mr. Yewchuk) and his hon. friends. I think the only real question in dispute in respect to this motion is whether the type of investigation which is recommended needs to be independent, to quote the words of the hon. member's motion.

● (1550)

In order to make an intelligible contribution to the debate I should like to begin on a more general basis by dealing with the question of chemicals in the food supply. Chemicals in the food supply include the thousands of natural chemical constituents. The most valuable, of course, are proteins, fats, carbohydrates, and essential minerals and vitamins. However, there are many other naturally occurring chemicals; for example, an orange contains acetone, ethanol, methanol, etc. Other chemicals in the food supply include pesticide and veterinary drug residues; environmental contaminants such as PCB's, heavy metals such as lead, mercury, cadmium, arsenic, etc., natural toxins—bacterial toxins, fungal toxins and natural components of foods such as salanine in potatoes—and last but not least, intentional food additives, flavours and spices.

Now what about the possible relationship between food allergens and hyperactivity? Today the general public seems to be increasingly concerned that foods and food additives may be a major cause of hyperactivity in children. However, there is some evidence that hyperactivity in children may actually be a manifestation of an allergic reaction.

Hypersensitivity reactions, commonly known as allergies, to foods have been described in the medical literature for centuries. Hypersensitivity reactions have been observed in humans following exposure to pollens, dust, certain chemicals and, in a few isolated cases, to some artificial food colours and additives.

Food allergies of various types affect 30 to 40 per cent of the human population. An individual hypersensitive to a food may have symptoms ranging from nasal stuffiness, hives, eczema, rash, migraine headache, nausea, diarrhoea, or even a serious attack of asthma up to anaphylactic shock, or even death.

The range of foods to which people can be allergic is almost limitless. The most common causes of food allergy are milk, grains, especially wheat, eggs, fish, shellfish, fruit, especially strawberries, chocolate and nuts. In addition to natural foods,

food additives such as tartrazine, parabens, vegetable oils, protein additives, caffeine, cyclamates, flavours, etc. have been implicated in allergic reactions.

Let me now talk a little about hyperkinesis or hyperactivity. These are terms used to describe a syndrome in children whose unusual behaviour becomes a major problem in the home and at school. These children may be described as being constantly active, flitting from one object or activity to another, restless and fidgety; exhibiting voluble, uninhibited speech, disorganized thinking, and impulsive behaviour. They are irritable and aggressive, have a short attention span and are easily distracted.

There is some concern that hyperactive children may have emotional disorders as adults. The characteristics of these children, including impulsive behaviour, short attention span, attention-seeking behaviour, and low tolerance to frustration in the face of social and educational difficulties, suggest that this group may become abusers of alcohol and other drugs in their teenage years. One study indicates that there may be a relationship between hyperactivity and subsequent alcoholism. This study showed a higher incidence of alcoholism and hyperactivity amongst the biological parents than the adopting parents of adopted hyperactive children. In addition it was observed that hyperactives have a high incidence of hyperactivity and alcoholism amongst their relatives.

With respect to other types of anti-social behaviour, there are reports of cases of explosive personality characterized by aggressiveness with a "hair trigger" temper. In these cases the explosive personality was preceded by hyperactivity in childhood.

While there are few follow-up studies of hyperactive children, most of the evidence indicates that they have a relatively poor outcome. There is usually a high incidence of anti-social behaviour and contact with police, and many have become institutionalized as delinquents or have become psychotic. Follow-up studies suffer from a lack of comparison groups, from small samples and from inadequate analysis of behavioural pathology. The incidence of alcohol, and drug abuse in particular, has not yet been examined in detail.

Statistics on the incidence of hyperactivity in school children vary considerably among investigators. This variation stems primarily from the lack of agreement among scientists on either terminology or definition of the syndrome. For example, school authorities report the incidence of hyperactivity in children to be as high as 15 to 20 per cent, while psychiatrists estimate the prevalence to range from 4 to 10 per cent.

Investigators feel there are several possible factors associated with hyperactive behaviour in children. For example, some hyperactive children exhibit abnormal brain waves which have been related to physical brain damage during birth; however, the relationship between brain damage and hyperactivity is unclear.

In addition, genetically inherited metabolic disorders have been considered as a potential cause of hyperactivity. Hyperactivity occurs four to ten times more frequently in male than in female children.

Mr. Yewchuk: Mr. Speaker, I rise on a point of order. We have been listening to the hon. member reading his speech for the last 15 minutes. I should like to bring to your attention paragraph 144 of Beauchesne, which reads as follows:

> It is a rule in both Houses of Parliament that a member must address the House orally, and not read from a written, previously prepared speech—

I should think that the hon. member, having been here since 1968, would pay sufficient attention to the rules of the House to follow this particular rule. After nine years in this place he surely should be able to make a speech without having to read every word of it.

The Acting Speaker (Mr. Ethier): I think this point was brought up previously by the hon. member. Again I must repeat that the Chair does not want to challenge authorities such as he has quoted. No doubt the hon. member for Windsor-Walkerville (Mr. MacGuigan) was referring to notes which he has, and perhaps he would resume the normal practice in this House when making speeches.

Mr. MacGuigan: Thank you, Mr. Speaker. I will admit that I cannot speak with my customary fluency on a matter of this technicality without more frequent reference to my notes than is usually the case.

As I was saying when I was interrupted, it should be pointed out that similar sex ratios have been recorded for many congenital syndromes in medicine but no firm evidence exists that the sex chromosomes are involved in the transmission of these abnormalities. Whether the hyperactivity syndrome is genetic or sex-linked is not known, because of a lack of knowledge of inheritance patterns involved in hyperactivity.

Some investigators have associated hyperactivity in children with accidental poisoning by chemicals such as lead, but the clinical evidence to date is inconclusive. It is known, however, that hyperactive children have a greater tendency to accidental poisoning in the home, presumably due to their intense restlessness.

The belief in the relationship of food additives and hyperactivity has evolved primarily as a result of clinical studies conducted by Dr. Benjamin Feingold, a San Francisco physician. He recorded a marked clinical improvement in 50 per cent of hyperactive children treated with his "salicylate free diet," also called a K-P diet. This treatment permitted a discontinuation of all drug therapy and resulted in a substantial improvement in scholastic achievement in these children. The diet given to the children contained no food additives or foods such as tomatoes, potatoes, cucumbers, squash, jams, nuts and virtually all fresh fruits, that naturally contain salicylates.

● (1600)

These initial clinical studies, as Dr. Feingold agrees, were empirical in nature. Although beneficial effects were observed, it is not possible to draw definitive conclusions from these

data. In order to accommodate the child's needs, the diet must be strictly adhered to. This necessitated a dramatic modification in family life-style. Therefore it is unclear whether the improvement in the children was due to the diet or to the additional care given the children in these particular circumstances. In addition, the severely restrictive diet has been criticized by many nutritionists as being nutritionally inadequate.

Other investigators have designed projects to determine if a relationship exists between food additives and hyperactivity.

One preliminary attempt to investigate the hypothesis is the study designed by Connor, of Pittsburg's School of Medicine. This study involved 15 children diagnosed in accordance with the American Psychiatric Association's definition of hyperkinetic reaction of childhood.

In this study, both parent and teacher ratings showed a statistically significant difference between measurements made at baseline and those made after the children had been on the K-P diet. It is interesting to note that, when the K-P diet was measured against a control diet, teacher ratings showed a statistically significant difference, but parental ratings did not.

Dr. Connor concludes that "the special diet may reduce hyperkinetic symptoms" but warns, and I quote:

> . . . it would be hazardous at this point to draw too many conclusions from this experiment, given the small size of the sample and the lack of complete consistency in the results. Any thoughtful observer will understand that a major intervention into dietary habits of a family will produce behavioural effects, regardless of the specific diets, a phenomenon well understood in the management of such conditions as juvenile diabetes. The results would have been substantially clarified if it had been possible to have objective measures of function uncontaminated by the psychological factors which are bound to operate in the family-school-child system. At this point, the results point to the need for considerable further investigation.

Perhaps the most significant of all studies is that conducted by a team at the University of Wisconsin. This represents the first systematic investigation of the hyperactivity-food additive hypothesis. It includes objective psychologic, psychophysiologic and classroom observational data in addition to parent and teacher ratings of behavioural change associated with dietary manipulations. The study was designed in such a way that teachers, parents, clinical investigators, and classroom and laboratory observers of the children's activity level were unaware throughout the course of the investigation whether the child was on the special diet or on a diet containing artificial colours and flavours. Both the experimental and control menus were prepared from commercially available food stocks.

Available results indicate that of the 36 mothers with boys in the 6-12 year group, 13 rated their son's behaviour as improved on the special diet, while 6 rated their child's behaviour as worsened. Seventeen of the maternal ratings showed less than 10 per cent change due to effects of diet. Of the 30 fathers rating the behaviour of this same age group, 14 rated their son as improved, 3 as worsened and 13 essentially unchanged. In contrast, only 6 of the 36 teachers rated those on the special diet as less hyperactive, 10 rated them as showing more active behaviour while on the experimental diet, and 20 of the teacher ratings showed little change between the two diet conditions. Agreement between parent and teacher ratings of improved behaviour while on the experimental diet occurred in only 4 of the 36 children.

The observational data collected on a number of behaviours in the classroom and in a standardized laboratory task yielded very few ratings of improvement in association with the experimental diet. Preliminary statistical analysis of these data has been completed and no statistically significant effect was apparent.

However, the younger children (age 3-6) showed a greater positive response on the experimental diet as indicated by parent rating. All 10 mothers in this group rated their child's behaviour as improved, as did 4 of the 7 fathers in this sample.

Thus, with the possible exception of the youngest age sample, the preliminary analysis completed to date in the Wisconsin study does not appear to offer strong support for the efficacy of the experimental diet, at least with respect to group effects. The University of Wisconsin research team, however, has repeatedly emphasized the still incomplete status of their project saying that a number of the objective measures obtained on the subject have not yet been tabulated.

A study was recently conducted at the University of Western Ontario to determine the relative effectiveness of dietary and drug management of hyperkinesis. Preliminary findings suggest that the effect of diet was ambiguous. Parents and teachers were of the opinion that dietary infractions involving artificial food colours and flavourings had minimal and insignificant effects.

The aforementioned studies conducted to date clearly indicate the potential difficulties in any attempt to test the food additive-hyperactivity hypothesis. The small sample size used reduces the significance of all findings and makes the use of statistical analysis extremely difficult. Furthermore, the use of outpatients in all these projects makes difficult the control of compliance. Also, specificity of responsiveness must be studied by challenging subjects with individual groups of substances, such as artificial colours or flavours or salicylates. Finally, results are meaningless if strict adherence to guidelines is not preserved throughout the entire duration of an experiment.

Several other studies currently under way have been funded by the U.S. Food and Drug Administration. These include a study on the hyperkinetic syndrome in children being conducted at the Kaiser Permanent Foundation Research Institute in California. The study should be completed in about 1 year. A second study, at the University of Wisconsin, is designed to identify children who respond to the K-P diet.

Much more definitive scientific information is needed to determine if the consumption of food additives is related to the hyperactive syndrome in children and the ultimate effects in adults. This is very expensive.

A study sponsored by the Department of National Health and Welfare is now underway in a Canadian hospital.

Mr. Yewchuk: Which hospital?

Mr. MacGuigan: This study will address itself to some of the concerns associated with the validity of the results of former studies.

The Health Protection Branch is collaborating in this study by determining whether or not the children involved in the study are allergic to various food additives. It is hoped that this will permit an assessment of a possible association between allergies due to specific food allergens and hyperactivity in children.

It is the aim of all the studies described to determine the principal causes of hyperkinesis with a view to reducing the incidence of this disease. Obviously:

> . . . the syndrome of the hyperactive child, regardless of its cause, is a real and trying condition for all who are associated with its victim. Cures cannot be found until the causes are understood.

I think this indicates that the government is very concerned about the subject, is pursuing research in the matter, and therefore the independent action called for by the hon. member for Athabasca is not needed.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened to the speech on this motion, which I will read for the benefit of those hon. members who have not read it. It reads as follows, and it is in the name of the hon. member for Athabasca (Mr. Yewchuk), seconded by the hon. member for Hastings (Mr. Ellis):

> That, in the opinion of this House, the government should take independent action to examine the relationship between artificial food additives and hyperactivity in children as well as between additives and behavioural changes in adults.

I found it interesting that just a few moments ago the hon. member for Windsor-Walkerville (Mr. MacGuigan) indicated that certain studies were going on in a Canadian hospital. When the hon. member for Athabasca asked him in a very clear voice to identify the hospital, the hon. member could not do so. I am not suggesting that the hon. member for Windsor-Walkerville would intentionally mislead the House, but it would be interesting for us in the House and for the people of Canada to know the extent of the studies and the places where they are being carried out.

There are a couple of reasons why I have involved myself in this debate. And following a former dean of law at a Canadian university—not a medical doctor, but a dean of law—who has involved himself in a matter which is medical, as a lawyer I feel comfortable in this debate.

● (1610)

I am concerned about this problem. This possible relationship has been brought to my attention by teachers, people involved in the administration of education, and educators generally in the area which I represent. They share the concern I feel. I hope government members do not talk this motion out, and the reason for that is that this motion has been moved by a medical doctor who has practicised family medicine in a small town in Alberta, Lac la Biche. He has been engaged in the practice of family medicine, and that has brought him into contact, in this context, with the problems which must accompany the life and the professional work of a small town medical doctor in a way which is perhaps different from the experience of those who have had the advantage of practising in metropolitan areas.

It is a great tribute to the medical profession that the hon. member for Athabasca and other medical people are members of this House. When a medical man brings to the attention of this House something which is of concern to him, this House ought to listen. If there is nothing unreasonable in the proposal, the House ought to adopt the view that the motion should be accepted.

I am proud to be associated with the hon. member for Athabasca. He has been the critic of the Department of National Health and Welfare for the official opposition for some period of time, and he has immersed himself in the health problems of Canada. Aside from being qualified professionally to speak on this subject, he is also the father of six children. This motion has been advanced with some concern and some understanding, and I hope that it will be greeted as such and that we will not utilize all our time speaking on it. I hope the House will follow my suggestion and allow the matter to come to a vote. I myself do not intend to speak very long.

This matter has engaged not just the attention of the medical profession; it has gone far beyond that. I mentioned the educators and parents who have expressed concern since this information was released. I think I am being charitable when I say that we have had some difficulty convincing the Minister of National Health and Welfare (Mr. Lalonde) that artificial food colouring poses a serious health threat to Canadians. Canadian standards are certainly not as stringent as those in the United States, and our fears were not at all allayed when in September, 1976, the Canadian Department of National Health and Welfare failed to follow the lead of the U.S. food and drug administration in banning red dye No. 2, red dye No. 4, and carbon black. At that time we discussed the matter with some seriousness, and it was of considerable concern.

This matter is so important that it has engaged the attention of the Canadian School Trustees Association, which has been in constant communication with the hon. member for Athabasca. In fact at the beginning of this month they reported on a meeting of its executive to my colleague. That meeting occurred in mid-January in Toronto, at which time concern was expressed about the whole question of food additives. That meeting also dealt in particular with motion No. 6, which is the subject matter of the debate today. The report of the president of the Canadian School Trustees Association is that after a lengthy, exhaustive, and thorough discussion of the problem the executive approved support for the effort of the hon. member for Athabasca to have the matter taken more seriously than it has been to date.

This is the kind of private members' motion to which we should give credence. If there are tests being conducted in other jurisdictions, the government can certainly have the benefit of the results of those tests. However, this House ought not to say, by its vote or by talking this motion out, to the Canadian people that it is not concerned. I want my colleagues

on the other side of the House to know that the official opposition is very concerned, and the people of Canada ought to congratulate the hon. member for Athabasca for the persistence he has exhibited with regard to this motion.

The president of the Canadian School Trustees Association also indicated that he was going to request the chairman of the Standing Committee on Health, Welfare and Social Affairs, and the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. McRae) to place the subject matter of this motion on the agenda of that standing committee, and why not? There are medical reasons why this matter should be considered, and there is a request by an agency which is involved, so is there any reason why this House should talk out this motion or vote against it?

I felt I should rise and support the action of the hon. member for Athabasca, who has done us a great service. We ought not to denigrate the spirit in which the motion was put forward or the importance of this question by failing to pass the motion or by talking it out, whichever the case may be. This is a matter which requires some re-evaluation, particularly in view of the way things containing food additives can cross the border. We should have strict standards. We certainly should be no less strict than other jurisdictions.

This matter need not have been brought to the attention of the House, if indeed it is being studied in the department—or, as we understand, it is to be studied, or may be studied in some unidentified hospital—but this House ought to indicate its concern and pass a motion which will not do anyone any harm but which may do the country a lot of good.

The Acting Speaker (Mr. Ethier): Before I recognize the hon. member for Gloucester (Mr. Breau), I should mention that at 3.50 p.m. the hon. member for Kingston and the Islands (Miss MacDonald) called it four o'clock, and that was proceeded upon. What the Chair might have failed to do was to seek the unanimous consent of hon. members, so therefore at this time I ask hon. members whether that is agreed.

Some hon. Members: Agreed.

Mr. Herb Breau (Gloucester): Mr. Speaker, motion No. 6 standing in the name of the hon. member for Athabasca (Mr. Yewchuk) gives us an opportunity to talk about the whole question of regulatory agencies for food safety and the whole question which the hon. member for Grenville-Carleton (Mr. Baker) discussed. The fact is that a private member's initiative like this one does accomplish something.

The object of motions like this is to bring forward an idea or to bring forward something an hon. member would like to have studied. The fact that speeches are put on the record accomplishes what the hon. member for Grenville-Carleton wants to accomplish, and that is to bring the matter to this political forum and to make sure that all arguments are heard. From there, if action is needed, it is taken. It is in that light that I want to speak in this debate about the government's perception of regulatory responsibility in the area of food safety.

• (1620)

First of all, without a coherent philosophy the chances for operational success of a regulatory agency are few and far between. One of the objectives of the Health Protection Branch of the Department of National Health and Welfare is to provide an effective channel of communications between the calorie control food and beverage industry and government officials, and to ensure that necessary scientific, medical and other personal information is available and understood by all concerned. One of the goals of the Health Protection Branch is to ensure that foods consumed by Canadians are safe. Some, perhaps, consider this to be an unreachable goal but it is a goal which we must continuously strive for if in good conscience the Health Protection Branch is to carry out its responsibilities to the public. The magnitude of the task is exemplified by the sheer amount of food consumed in this country each year and the wide variety of sources from which it is obtained.

We can say with confidence that, in the main, the nation's food supply is safer than it has ever been before. Nevertheless, to paraphrase the Irish nationalist, John Philpott Curran, the price of safety is eternal vigilance. Regulations must never be relaxed and we must not reduce our vigilant surveillance of the nation's food supply. We must continuously tune out the shrill voices of those who proclaim one extreme or the other—on the one hand that there is nothing at all to be concerned about and, on the other, that we are all headed for some sort of dietary Armageddon.

The instruments which permit us to strive for the goal of a safe food supply include the Food and Drug Act and regulations. Apart from the Income Tax Act I cannot conceive of any legislation that has greater impact on the purse and the health of Canadians. Historians in the Health Protection Branch of National Health and Welfare believe it is derived from the oldest legislation dealing with food and drugs in the western hemisphere. Its ancestor was born 100 years ago—almost by accident—as a result of the concern about alcohol.

It is interesting to note that a century ago there was widespread concern in Canada about the social effects of alcoholism and broad public support for abolition of the sale of alcoholic beverages. In typical Canadian fashion—for it has long been our practice to appoint a royal commission to investigate contentious issues before making judgment on them—a committee of the House of Commons met to consider the problem raised by excess consumption of alcohol. It concluded that the problem was not one of all liquor but only of bad liquor. As a result, a law to license compounders of alcoholic beverages and to prevent the adulteration of food, drink and drugs—the so-called Inland Revenue Act— was passed by parliament and became operative on January 1, 1875. It was the great-grandfather of today's Food and Drugs Act.

I wish to highlight some of the statutory bases which the act provides for us. Most important, the Food and Drugs Act is criminal law. By virtue of the British North America Act, criminal law is within federal jurisdiction. The British North America Act deals with the legislative, executive and judicial

power by dividing the totality of public power among the federal government and the provinces. Food, drugs, cosmetics and medical devices are nowhere mentioned in the division of subjects of the public power in the British North America Act. This is not surprising, given the minor role of the state in health matters at the time of Confederation in 1867. These subjects are not explicitly mentioned. Control over those substances has, however, been determined to be a matter of criminal law and therefore within federal jurisdiction.

Several landmark decisions have upheld the federal primacy in this area and most authorities no longer seriously question it. Hence it is possible for us to legislate and regulate in these areas whether or not the subject matter is one which remains within a province or crosses provincial boundaries.

The Food and Drugs Act provides authority to establish standards for the composition and identity of foods; to prohibit the sale of foods that are manufactured under unsanitary conditions or are adulterated; and to prohibit the advertising, labelling, packaging, processing or sale of foods in a manner that is false, misleading or deceptive or is likely to create an erroneous impression regarding its character, value, quantity, composition, merit, or safety.

The practical enforcement of the Food and Drugs Act requires that certain sections be supplemented with regulations that interpret the act. Consequently there has been developed over many years an extensive body of regulations which provide standards, set out requirements for labelling and establish prohibitions or exemptions for certain substances within the scope of the act. The regulations, of course, frequently are changed as new foods are developed and new processes devised. The use of certain chemicals as direct or incidental additives, for example, is under continual review and new data on the safety of a particular chemical may require regulatory amendments.

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

Mr. Breau: Yes.

Mr. Yewchuk: The hon. member is talking about labelling the food supply. I wonder if he can explain to the House why most foods are not labelled specifically with regard to which chemicals are in them but simply say "artificial colouring and flavouring" rather than naming the specific chemical. The importance of that stems from the comments made by the hon. member for Windsor-Walkerville (Mr. MacGuigan) who said that allergies can occur to certain chemicals in the food supply, but if they are not labelled people who may be allergic to them cannot tell. My question is: why has the government not taken action as far as labelling accurately is concerned, if not in banning some of these substances?

Mr. Breau: Mr. Speaker, I cannot answer for the government on that point.

Mr. Yewchuk: You are speaking for the government.

[Mr. Breau.]

Mr. Breau: No, I am not speaking for the government. I am speaking to the motion.

An hon. Member: You are blocking it for the government.

Mr. Breau: I am speaking on the subject because I think it is a very important one. The objective desired by this motion, I believe, is covered by the Food and Drugs Act. There is no reason to have any other action.

Mr. Yewchuk: I just gave a reason.

Mr. Breau: The hon. member is asking for chemicals to be labelled or identified now. I do not see that in the motion.

Mr. Yewchuk: You are talking about labelling.

Mr. Breau: I talked about labelling because I went into the activities of the Health Protection Branch. I am explaining how that branch operates and what it does. It labels food and it does all the things I just mentioned.

Mr. Munro (Esquimalt-Saanich): Not very well.

Mr. Breau: I suppose the question the hon. member poses is an important one, as is his motion. I hope that someone can answer it later in the debate.

The Health Protection Branch, as a regulatory agency, is not isolated from the political process, though it is much more isolated from partisan politics than are some similar agencies elsewhere. The mechanism whereby it reports to a politically elected representative who has ministerial responsibilities before parliament, provides a continuing sensitivity to and awareness of the fact that the value judgments of society must be taken into account in reaching the final decisions about issues such as food safety, acceptable risks, and the legitimate role of a regulatory agency.

It is good that the hon. member interrupted to ask a question. This part of my notes answers his motion—that because the minister is responsible to parliament for the Health Protection Branch he has to be aware of what goes on in parliament and has to be aware of the initiatives of private members. I think it is very valuable to have this in our system, as the hon. member for Grenville-Carleton said. The Health Protection Branch is sensitive to all these things, and I am sure that is what is looked for in the motion. Since the hon. member brought the matter up, I assume it is important.

● (1630)

The task of the health protection branch is to provide the minister with the best advice, which means technically best advice. The minister bears responsibility for policy and often has to defend his decisions on the floor of the House of Commons or before parliamentary committees. It is against this general background that the enforcement philosophy and the administrative mechanisms to obtain compliance with the law are formulated.

Since Canada is a significant importer of food it is important to consider carefully the impact of legislation affecting

food commodities in other countries. Over the years close liaison has been developed with regulatory agencies of other countries, particularly those of the United States, the United Kingdom, Switzerland and Sweden. There are frequent consultations on matters relating to food safety, food recalls and so on, with officials of other countries.

The enforcement philosophy must be flexible and able to respond quickly if we are to deal effectively with the immense variety of complex situations we face in the area of food safety. An overly-rigid bureaucracy is no answer to the extremely difficult issues to be faced each day. There must be co-operation with responsible food manufacturers and the encouragement of voluntary compliance by industry. Unnecessary confrontation and adversary proceedings so far as possible should be avoided.

The Health Protection Branch is firmly committed to the notion of full discussion with industry prior to regulatory changes. In doing so its officials try hard to avoid excessive formalism and legalism. They recognize that government does not have a monopoly on talent or integrity and that the regulatory process must of necessity and economy involve extensive discussion among the various groups involved, including the regulators, the regulated, and representatives of consumers. Indeed the assistance of the regulated is required to make certain that proposed regulatory changes are both theoretically sound and capable of practical application.

In order to encourage and foster voluntary compliance and to avoid costly court proceedings, officers of the branch frequently meet with industry representatives, to discuss alleged violations. The field operations directorate runs the gamut of compliance-type action from private sessions with an offending company to instituting and completing court actions. For example, an informal technique called, for want of a better name, a formal hearing, is utilized in cases where the field staff is of the opinion that compliance may be gained without the institution of prosecution proceedings. Thus, where appropriate, administrative decisions are reached in discussions between industry representatives and officials which result in a greater assurance of the safety of foods for the public without resorting to court action.

This does not mean that court sanctions are not useful. In any industry, including the food industry, there are those who are too irresponsible, too venal or too obstinate to abide voluntarily by appropriate regulatory standards. In the Canadian context the resort in such cases to court action is necessary to make regulations work. Thus, there is no hesitation to go to the "mat" with people who, for whatever reason, repeatedly fail to comply with the law. Whether the compliance action is voluntary or imposed by a court, it is the duty of the health protection branch to make sure that regulations provide appropriate guidelines, to ensure that industry accepts and lives up to its responsibilities and obligations to the public.

Perhaps the most important underlying principle influencing the Health Protection Branch is its insistence on providing advice to the Minister of National Health and Welfare (Mr. Lalonde) which is based on good science. Accordingly branch members consciously attempt to foster the attitudes and values of a scientific agency. They are not policemen; rather, they constitute a scientific regulatory agency which must be anchored on the rock of science if it is to ensure that the advice it gives the minister is of the necessary high calibre. Ministers may not have the necessary scientific expertise and would be vulnerable, personally and politically, if they attempted to second-guess their scientific advisers on scientific grounds. Therefore they must be careful in how they deal with the advice of their officials. Of course officials must set the highest possible standards of scientific excellence for their organization, and never depart from them.

Officials must recognize that many situations deal with other issues which must be considered in addition to the purely scientific factors involved. These issues, in an area of such vital importance as public health, must not be those of partisan politics, but they do legitimately include social and economic factors about which biomedical scientists are often less than fully knowledgeable. More important, they often include a perception of a value judgment of Canadian society about a given situation.

One of the most frustrating problems faced by scientific regulatory agencies such as the Health Protection Branch is the need to make judgments constantly and provide advice on the basis of inadequate evidence. It would, of course, be nice to wait until all of the data necessary for absolutely, unquestionably valid decisions could be collected. Because we live in an interdependent world, and because food can be transported quickly, the Health Protection Branch is sometimes asked to make its decisions rapidly. This is not an easy task, but it is the very essence of the work of a regulatory agency. In making such difficult benefit/risk decisions official agencies will not please everyone. The branch has evolved a system for making benefit/risk decisions. This includes a deliberate attempt to quantify as many variables as possible, in order for decisions to be made on a rational basis. The variables comprise several fundamental components which are opposed, compared, and weighed against each other.

Mr. Ellis: Brilliant!

Mr. Breau: There is risk, cost, loss, benefit and acceptability to the industry and the public. All these factors are recognized. When the risk is balanced against benefit, the risk will be considered as being acceptable in some situations, but not necessarily in others. All sorts of considerations are important—cultural, legal and philosophical. Such considerations sometimes modify the decisions which are made.

Before leaving this brief discussion on the factors involved in the assessment of food safety—

The Acting Speaker (Mr. Ethier): Order, please. I interrupt the hon. member to inform him that his time has expired. I see the hon. member for Athabasca (Mr. Yewchuk) rising. Does he wish to raise a point of order?

Mr. Yewchuk: No, Mr. Speaker, I should like to speak.

The Acting Speaker (Mr. Ethier): The Chair recognizes the hon. member for Welland.

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I enter this scientific debate with a certain amount of trepidation, bearing in mind the words of the opposition House leader who suggested that one certain member now present in the House ought not to enter into a scientific discussion involving the matters the hon. member for Athabasca (Mr. Yewchuk) has raised. Personally, I do not agree. I agree that the hon. member for Athabasca's background would lead to his interest in this matter. He has a scientifically trained mind. However, I took exception to the remarks of the opposition House leader, for I do not think they apply to the capabilities of the hon. member for Windsor-Walkerville (Mr. MacGuigan).

An hon. Member: The unwise remarks.

Mr. Railton: Yes, they were unwise remarks. The hon. member has the benefit of great legal training and experience, has no doubt been involved in the discussion of many scientific matters and is capable of digesting the material presented to this House. Frankly, the consideration of this subject requires a bit of common sense.

Mr. Yewchuk: Mr. Speaker, I rise on a point of order. I regret to interrupt the hon. member, but in the absence of the opposition House leader I must object to the hon. member's misinterpreting what my House leader said. He did not in any way imply that the hon. member for Windsor-Walkerville (Mr. MacGuigan) was not qualified to speak. He said they were both equally qualified to speak.

The Acting Speaker (Mr. Ethier): That is a point of debate.

● (1640)

Mr. Railton: I will not say anything more about that. I feel that the point I made is well taken. There were several questions raised by the hon. member. The first was in the latter part of October with regard to the study of food additives and hyperkinetic children as well as the effects of diets on adults, and drug therapy and so on. On November 18 last many questions were asked about the effects of Amaranth or Red Dye No. 2, and Ponceau Red Dye No. 4, and again whether carbon black had any effects on the health of the population. Again there were questions about the possible existence of co-carcinogens in the Canadian food supply, wanting to know what research the Department of National Health and Welfare is doing. There were similar questions about the research projects with regard to additives in the Canadian food supply and, finally, the effect of chloroform added to certain things.

These are good questions. The hon. member for Athabasca has the right to ask them. On the other hand, I think I can say that the Department of National Health and Welfare is no doubt looking into all these things. It makes the statement that it has.

The Department of National Health and Welfare just does not consist of the Minister of National Health and Welfare (Mr. Lalonde). There are many, many people who are experts in science, not only clinical medicine but scientific research into all the aspects which the hon. member previously mentioned. He has no difficulty finding experts. They will give us the latest reports on their own experimental work as well as scientific review.

The department is quite aware of the fear in society about the effect of red dyes. A great deal of this is as a result of exaggerated publicity.

There is talk about labelling, but nothing has been proven that the red dye is harmful. Let us be sensible in our questions about this matter. First the metabolic effects or pharmacokinetic qualities of Amaranth or Red Dye No. 2 are being investigated right now in a variety of animal species. This is being done under the supervision of the Department of National Health and Welfare. As far as the tests to date are concerned, there have been no untoward effects noted in any of the tests. This fits in with other tests in other areas of the world.

Second, there are studies they are doing on research into the purity of the dye. There is no doubt that some of the effects ascribed to the dye have been due to the impurities in the additives which contain the dye. Not only are they doing these other chemical tests, but also microbial tests, trying to see if they have any potential on affecting the chromosomes or the future health genetically of the population.

As far as the tumor forming effect is concerned, I do not mean just carcinogenic but the causation of any kind of tumor practically. They have been carrying this out using a large number of cats as the test species. These tests have been completed. It seems there will be a report soon. So far, there seems to be no indication that there is this quality in the food additives, if pure.

The next question was about Red Dye No. 4. There are no adverse effects noted in the past regarding cancer or reproduction, nor is there any new evidence to suggest this colour poses a health risk. It is not used very often.

You have to ask how many people eat a great deal of food containing red dye? Has it ever been proved that the amount of red dye in use has really increased, not just because of the increase in population, but in effect in the food they are eating? Has it ever been found that this type of "hyperkineticity" or the hyperkinetic child is found to be more frequent than ever before? It is one of these things that have been picked up in the last 20 years or so. We have no statistics whatsoever to show that this is on the increase. You have to go into those things.

There is the other question about the effects of carbon black. There is evidence in the literature to suggest that carbon black may actually protect experimental animals from the effects of polycyclic aromatic hydrocarbon content or impurities.

The Department of National Health and Welfare in addition to conducting studies is continually surveying world literature on carbon black. So far, nothing definite has been turned up.

With regard to the question of what is being done about sponsoring or conducting research on the existence of co-carcinogens in the Canadian food supply, the department has ongoing research programs to identify co-carcinogens in the food supply.

The Acting Speaker (Mr. Ethier): Order, please. The hour appointed for the consideration of private members' business has now expired pursuant to an order previously received by the Chair. It being five o'clock, this House stands adjourned until Monday next at two o'clock, pursuant to Standing Order 2(1).

At 4:50 p. m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, February 21, 1977

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ROYAL CANADIAN MOUNTED POLICE

PROPOSED COMMITTEE STUDY OF POSSIBLE CHANGE IN PROCEDURE FOR APPOINTING COMMISSIONER—MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I rise pursuant to Standing Order 43 on a matter of pressing and urgent necessity with reference to the possible appointment of a new commissioner for the RCMP. The RCMP first came into being as the North West Mounted Police in 1873. Its existence assured that the great plains, the wheat basket of the world, later to be known as Canada's source of gas and oil, could be developed and so allow Canada to become self-sufficient in energy and oil. The RCMP is a traditional police force.

Throughout the world the escalation of crime continues to be one of society's major problems. The RCMP, in full co-operation with all other police agencies in Canada, is committed to keeping crime in check and to reverse the trend of increased criminal behaviour. All the heads of the original North West Mounted Police, later known as the Royal North West Mounted Police and finally, in 1920, as the Royal Canadian Mounted Police—

Mr. Speaker: Order, please. I understand the hon. member's sentiments. However, he is permitted, pursuant to Standing Order 43, only to explain the urgency of the matter. Perhaps the hon. member could put that forward, and put his motion.

Mr. Woolliams: Mr. Speaker, I am just coming to that. All the heads of the RCMP were chosen from within its ranks, with one exception at its beginning. I therefore move, seconded by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds):

That the question of changing the tradition and, indeed, the precedent of appointing a commissioner of the RCMP from other than the ranks of the force be referred to the Standing Committee on Justice and Legal Affairs for study and report before a head is chosen from another source.

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

Some hon. Members: Agreed.

Some hon. Members: No.

NATIONAL HERITAGE DAY

REGRETTED FAILURE TO PASS BILL ESTABLISHING HOLIDAY—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if the House will give its consent to the introduction of this motion under Standing Order 43, which I trust it will do, I believe it could be passed without debate. I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House, on this special day, it being Monday, February 21, expresses its pride in Canada's heritage, regrets that the bill to establish national heritage day as a holiday has not been passed, and declares its confidence that the said bill will be passed during the present session of parliament.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

REQUEST FOR INQUIRY INTO DEATH OF ARCHBISHOP OF UGANDA—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise to ask unanimous consent for the presentation of a motion under Standing Order 43 and do so because the provisions of the standing order require the matter to be one of urgent and pressing necessity. I raise this question in the absence of the Secretary of State for External Affairs (Mr. Jamieson) because of the provisions of that Standing Order and because of evidence which came to light over the weekend concerning circumstances surrounding the death of the Archbishop of Uganda and two cabinet ministers in that country. Therefore, with the leave of the House I will ask for unanimous consent to move the following motion, seconded by the hon. member for Egmont (Mr. MacDonald):

● (1410)

That this House condemns the government of Uganda denying due process of law to its citizens and calls upon President Amin to permit an impartial inquiry by the Commonwealth or the United Nations into the circumstances surrounding the deaths of the Archbishop of Uganda and two Ugandan cabinet ministers.

Some hon. Members: Hear, hear!

Mr. Speaker: The presentation of such a motion pursuant to the Standing Orders can be made only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN BROADCASTING CORPORATION

NO APPROVAL OF HEADQUARTERS BUILDING IN TORONTO WITHOUT PUBLIC TENDERING—MOTION UNDER S.O. 43

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that the federal government seems to have arrived at the point of approving plans initiated by one Robert Campeau for a new CBC headquarters on the Toronto harbourfront and in light of the fact the government seemed to have reached the stage of announcing the project at a press conference last Thursday, complete with a model of the $150 million project, all without having gone through any tendering process, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the government be instructed not to proceed with the approval of the new CBC headquarters building in the Toronto area without submitting the project to a complete public tendering process.

Mr. Speaker: Such a motion pursuant to Standing Order 43 can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

SECURITY OF NUCLEAR REACTOR SITES—POSSIBILITY OF DISCUSSIONS WITH UNITED STATES AND PUBLIC INQUIRY INTO USE OF NUCLEAR ENERGY

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. It refers to the recent announcement that, after a lengthy study, the United States Nuclear Regulatory Commission has concluded that the possible threat of terrorist activity or sabotage against the 74 civilian-operated nuclear installations in that country warrants an immediate and significant increase in security. Can the minister tell the House whether Canada has been involved in any way in this review in the United States or whether Canada is otherwise looking in any serious way into the state of security at our own reactor sites?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I will be very pleased to make inquiries to see whether there have been discussions at the official level between Canadian officials and United States officials on this question. I do know that from time to time there have been discussions between the Atomic Energy Control Board and the officials of Ontario Hydro and the other utilities in Canada.

Mr. Clark: Given this most recent example of very real concern both in the United States and Canada about the special dangers that are involved in a modern nuclear society, will the minister undertake here and now to initiate a public inquiry, using a standing committee of this House or some other means, into nuclear energy in Canada and acquaint the public with the benefits and risks of nuclear energy?

Some hon. Members: Hear, hear!

Mr. Gillespie: Mr. Speaker, if the hon. member can make the case that such an inquiry before a parliamentary committee will not duplicate the work presently being done by the royal commission in Ontario under Mr. Porter or that such an inquiry will add to the kind of knowledge that he seeks, I will be prepared to consider it.

Mr. Clark: Mr. Speaker, I wish to point out to the minister that the terms of reference of the Porter inquiry by definition do not include installations in provinces other than Ontario and suggest to him that the onus is not upon me to make a case. That case has already been made by no less influential a body than the 1975 National Liberal Convention which went on record asking for precisely that kind of inquiry, and according to a report issued recently over the signature of one of the minister's colleagues on what is called the Consultative Council of the Liberal party—and a consultative council of the Liberal party must be something to behold—that is one of those questions on which no action at all has been taken. If the minister is prepared to ignore the opposition in the House of Commons, will he tell us why he will not at least pay attention to a resolution of his own party and have a public inquiry made?

Some hon. Members: Hear, hear!

Mr. Gillespie: I am reminded from time to time of the Rip Van Winkle approach to policy taken by the hon. member opposite. If he had not been asleep for the past year he might have realized what was going on.

An hon. Member: What was going on?

Mr. Gillespie: If the Leader of the Opposition were serious about this matter he would have made it his business to find out how the terms of reference of that Royal Commission had been interpreted by the Royal Commissioner. He would have found that a public debate is being prepared right now by the

commissioner dealing with the important questions before the commission with respect to nuclear energy. But it seems to me the hon. gentleman is still going by the book; he reads the terms of reference and says this Royal Commission has no jurisdiction in this area at all. He is out of date again.

Mr. Clark: I certainly would not suggest that the minister and his colleagues have adopted a Rip Van Winkle approach to politics; they are hoping right now that the Canadian people have slept through the last ten years.

Some hon. Members: Oh, oh!

Mr. Clark: While we realize that their approach to federal-provincial relations is to dump federal responsibilities on to the provinces, we still ask the minister to tell the House why he is neglecting his responsibility as a minister in the national government to set up a national inquiry into a national question of national importance which is under national jurisdiction rather than trying to hide behind an initiative which has been taken by a government in a province.

Mr. Gillespie: If the Leader of the Opposition is saying to me, to his colleagues and to the rest of the House that the people of Canada should not trust the actions of a Conservative government—

Some hon. Members: Oh!

Mr. Gillespie: —that the people of Canada should not trust a Royal Commission which has been set up by the Province of Ontario, a province which more than any other is committed to nuclear energy, if he is saying that, I think he ought to have a chat with Premier Davis.

Mr. David MacDonald (Egmont): A supplementary to the minister with respect to his incredible lack of responsibility in this key area of nuclear development. In light of the fact that the request for such a public inquiry has been supported by Premier Campbell of Prince Edward Island, Premier Regan of Nova Scotia and by a number of members of parliament from all parties, and also in light of the fact that other provinces have taken varying positions with respect to the development of the nuclear option for Canada, I wonder whether the minister could tell us, given the establishment of further refineries at Port Hope and in Saskatoon, if either the companies concerned or his department are making plans with respect to these facilities to protect them from possible nuclear sabotage or terrorism? I think it is obvious the minister has not been exercising his jurisdiction effectively.

Mr. Gillespie: Mr. Speaker, I think the Atomic Energy Control Board has made clear on a number of occasions the measures they are taking to provide protection for the Canadian public.

● (1420)

ATTEMPT BY ELDORADO TO STOP DRAMATIC PRESENTATION OF NUCLEAR QUESTION IN SASKATOON SCHOOLS—GOVERNMENT POSITION

Mr. David MacDonald (Egmont): A further supplementary question, Mr. Speaker. Can the minister indicate whether he has heard reports of, or taken action with respect to, a dramatic presentation on the nuclear question which has been taking place in the schools at Saskatoon and which has been protested by an official of Eldorado Nuclear, and that this official has written to the school board of Saskatoon instructing the school board to have this dramatic presentation stopped or else Eldorado Nuclear would take further action? Can the minister indicate under what authority the representative of Eldorado Nuclear has made this representation, whether the minister supports it, and what if any further action might be taken?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. member would be prepared to give me that information I would be prepared to look into it. He knows and his colleagues know that no decision has been taken to proceed with a refining operation in Saskatchewan close to Saskatoon. He also probably knows, if he has been following events, that no decision has been taken yet with respect to an additional refining and manufacturing facility close to Port Hope.

Mr. MacDonald (Egmont): A final supplementary question, Mr. Speaker. Is the minister indicating that he is not aware of the action that has been taken by an official of Eldorado Nuclear, and have instructions been communicated to this corporation in regard to terminating any kind of public discussion in the schools or elsewhere at Saskatoon regarding this important development?

Mr. Gillespie: Well, Mr. Speaker, I am not familiar with the particular schoolroom activities that the hon. member is referring to, but I would think it very important that our school children across Canada be exposed to the arguments, both pro and con, respecting the use of nuclear energy.

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PUBLIC BUILDINGS

PROPOSED NEW CBC HEADQUARTERS IN TORONTO—DATE GOVERNMENT WILL ANNOUNCE DETAILS—POSSIBILITY OF PUBLIC TENDERS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister of Public Works. Is the government ready to announce the details of the proposal of Robert Campeau, well known developer and Liberal supporter, for a new CBC headquarters at the Toronto Harbourfront, of which a model was to be revealed to the cabinet last week until the mayor of Toronto indicated that he refused to attend?

Hon. Judd Buchanan (Minister of Public Works): Mr. Speaker, I am a little confused by the question. I do not think the mayor was invited to attend any cabinet meeting at all. Certainly it is not normal practice. A model was not shown to the cabinet, Mr. Speaker. The subject was discussed and the details will be released to the House when a decision is taken.

Mr. Brewin: A supplementary question, Mr. Speaker. Is the proposed project going through any tendering process, or is it to be similar to the lease-back arrangement from the government to the same Robert Campeau for the land known as Les Terrasses de la Chaudière?

Mr. Buchanan: Mr. Speaker, I expect that if the project comes to fruition there would be some type of tendering arrangement whereby other interested builders or developers could make submissions as well.

* * *

ADMINISTRATION OF JUSTICE

USE OF WRITS OF ASSISTANCE—POSSIBILITY OF AMENDMENTS TO PROVIDE FOR ISSUANCE OF DISCRETION OF JUDGE

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Minister of Justice. Last week the minister indicated that he has been concerned about some of the powers provided under the Criminal Code and otherwise to investigative agencies and that he would specifically review the situation respecting applications by his department for writs of assistance. Can the minister now report to the House whether he is prepared to give tangible evidence of his expressed concern and will have introduced amendments to offending legislation providing for the issuance of such writs in the discretion of a judge on the basis of explicit criteria which ought to be carefully scrutinized by the court?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, it would be premature for me to give that assurance at the moment. I am doing what I undertook to do the other day, namely reviewing the internal arrangements of my own department and that of several others as to applications for writs of assistance and determining in what way the objections expressed by his Lordship, Mr. Justice Collier, can be met. I have also indicated that in connection with its studies of powers of search, seizure and arrest the Law Reform Commission is considering the question of writs of assistance, and I think I would like to wait until those considerations have been completed before indicating whether any amendments to the law will be required.

REQUEST FOR REVIEW AND POSSIBLE TERMINATION OF OUTSTANDING WRITS OF ASSISTANCE

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, in view of the fact that in the United Kingdom the court always has the alternative of granting or refusing writs of assistance, and in any case it is a very rare occurrence that such writs are issued there, and for the most part they are issued for the purpose of recovering possession of or preserving chattels, whereas in Canada such writs are not considered as merely remedial, but rather are used to enforce criminal and quasi-criminal legislation, will the minister immediately review the number and distribution of outstanding unlimited writs of assistance with a view to having existing writs voluntarily terminated except where justifiably and imminently required?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, both the Solicitor General and the Minister of National Revenue have been reviewing their internal arrangements by which writs of assistance are requested, and I am quite prepared—as I have already been doing—to ask my officials to make the same examination as to what internal procedures there are to assure that where writs of assistance are requested or granted they are surrounded by sufficient administrative checks to assure that they are not used capriciously or in an unjust way.

Mr. Hnatyshyn: Mr. Speaker, in view of reports that some 4,212 searches were conducted last year under writs of assistance, that a total of 935 writs are currently held by RCMP officers and that 477 negative searches took place in 1976, can the minister verify that the incriminating evidence determined under the writs related to the statutes under which they were issued, and will the minister in any event examine the negative and other searches made to assess whether sufficient discretion is being exercised in the use of the writs, and will he report his findings to the House?

Mr. Basford: Mr. Speaker, I have already undertaken to examine the situation. My colleagues could be more specific, but I would point out that of the number of writs of assistance used in customs, for example, there were some 70 million entries, and as I recall the figures—and my colleague could expand on them—there were seven writs of assistance used, which shows that they are used only after the most careful administrative screening as to whether they should in fact be used.

* * *

[*Translation*]

AGRICULTURE

DAIRYING—SUGGESTION POLICY BE MODIFIED SO PAYMENTS TO PRODUCERS RETROACTIVE TO APRIL 1976

Mr. René Matte (Champlain): Mr. Speaker, my question is directed to the Minister of Agriculture.

In view of the exacerbation of manufacturing milk producers, especially in Quebec, as a result of the dairy policy announced by the minister last year and considering the disastrous weather experienced in Europe during the summer, can the minister say whether the 20 per cent lower quotas for manufacturing milk producers has proved satisfactory? In other words, can he say at this time of the year whether he or his government intend to alter that policy and consequently make payments to producers retroactive to April last?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member has made many statements about the dairy policy for last year. The quota cut-back in the province of Quebec was decided upon by its own marketing board, and that board decided what percentage it should be. The administration of the quota is the responsibility of each provincial board, not mine, and if any debate took place in Quebec, I do not deserve 100 per cent of the blame because we did not have that problem in other parts of Canada. The quota was administered by the federal government in the same way with regard to each province. In so far as Europe is concerned their problem has been compounded, but in Canada the problem has been lessened because we have less surplus stocks on hand now than we did last year.

At the beginning of April when the new dairy year starts we will have about 100 million pounds of skim milk powder and about 10 million pounds of butter. Last year we had 300 million pounds of skimmed milk powder and 47 million pounds of surplus butter, so we will have a manageable surplus. The dairy program for this year will be announced soon, and again I think it will be one of the best in the world because our industrial milk producers are the best in the world and the best paid in the world.

● (1430)

[*Translation*]

SUGGESTION CONTROL OVER MILK BE TRANSFERRED TO PROVINCIAL JURISDICTION

Mr. René Matte (Champlain): Mr. Speaker, the minister answers that the Quebec federation of milk producers is responsible for such conditions. I would like to point out that they accepted that reduction as a result of pressure by the minister and the Canadian Dairy Commission. This being so, considering the discrimination which seems to exist between Quebec and other provinces in that field, would the minister agree to let the production of manufacturing of raw milk come exclusively from now under the jurisdiction of the provinces?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Generally the producers think that all production of milk, and especially industrial milk, that is distributed across provincial borders or that is exported, should be a federal responsibility. Some are even suggesting that all milk production should be under one authority so that any unfairness or inequity that exists could be eradicated in that fashion. I am saying that these are some of the views that have been expressed to me. Again, I say that the distribution of quotas within a province is under the jurisdiction of the provincial marketing boards. I do not distribute quotas to them. We asked for a 5 per cent increase in production for the dairy year and in the dairy year 1975-76 we ended up with approximately a 14 per cent increase, a surplus that was not asked for and for which there was no money or market.

Oral Questions

ROYAL CANADIAN MOUNTED POLICE

APPOINTMENT OF COMMISSIONER—POSSIBILITY OF CHANGE IN PROCEDURE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Solicitor General the following question. In light of the tradition of the RCMP and its basic jurisdiction in dealing with one of Canada's major social problems, namely crime, is it the intention of the minister, and indeed of the government, to change that tradition and precedent by appointing an RCMP commissioner, when commissioner N. J. Nadon retires, from sources other than the training ranks of the RCMP who have learned by serving in one, some or all of the 38 subdivisions and 686 detachments of that force?

Mr. Basford: How about yourself?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I think that the press release issued in this respect by the Prime Minister about two weeks ago was very eloquent and clearly explained the situation. The Prime Minister established a committee which will recommend appointments and the committee's terms of reference are to find the best person to direct the RCMP. Obviously it goes without saying that persons already within the RCMP will be also considered. I should also add, Mr. Speaker, that notwithstanding what my hon. colleague has to say, it is not the first time that such a thing has happened. A committee was already established for the same purpose. To my knowledge, two previous commissioners came from outside the RCMP.

[*English*]

Mr. Woolliams: The Prime Minister might be eloquent, but I am not sure that he is not trying to destroy the RCMP.

Some hon. Members: Oh, oh!

Mr. Woolliams: Does the minister not consider that the person who replaces commissioner N. J. Nadon when he retires should be from the ranks of the RCMP who have received training from one, some or all of the 38 subdivisions and 686 detachments, particularly at a time when crime in Canada is escalating and Canadians are looking for more control over crime?

[*Translation*]

Mr. Fox: Obviously, Mr. Speaker, there are excellent candidates within the Royal Canadian Mounted Police who will be considered before this appointment is made. Instead of discrediting the RCMP, Mr. Speaker, I think my colleague should have a look on his side of the House and consider the rather foolish accusations which were recently made against the RCMP.

[*English*]

ENERGY

MACKENZIE VALLEY PIPELINE—REQUEST FOR ASSURANCE NO AGREEMENT WITH UNITED STATES ON CONSTRUCTION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and it arises from reports emanating from what appear to be high sources in Washington that an agreement or understanding has been reached between Canada and the United States about the construction of a pipeline down the Mackenzie Valley. Can the minister assure the House and the country that no understanding of any sort, either oral or written, has been reached with the United States government at any level with respect to the construction of the pipeline at this time?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Yes, Mr. Speaker.

Mr. Gillies: Again I direct my question to the minister. Can he once again assure the House and country that no discussions will take place with the United States at any level with respect to the construction of a pipeline down the Mackenzie Valley until the report of the National Energy Board and the report of the Berger commission are made public?

Mr. Gillespie: No, Mr. Speaker.

Mr. Gillies: Why not?

Mr. Gillespie: I would have thought that the hon. member would have known that for something as large and complicated as a pipeline system which has to be worked into a legislative time frame in the U.S. and be conditioned by our own legislative bodies and the National Energy Board, it would be prudent for Canadians at all levels, officials, ministers and, very likely, first ministers, presidents and prime ministers, to discuss some of the important implications of building or not building a pipeline.

Mr. Gillies: My question was not about discussions but about decisions and commitments. That is what I am interested in knowing.

Mr. Speaker: Order, please.

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NORTHERN AFFAIRS

PRELIMINARY REPORT ON DOME CANMAR DRILLING IN BEAUFORT SEA—DATE AND POSSIBLE TABLING OF FINAL REPORT

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and it relates to a document just received which calls itself a preliminary report on Dome Canmar drilling in the Beaufort sea prepared by the Arctic Waters Oil and Gas Advisory Committee in three volumes, namely, the social and economic assessment, the technical assessment, and the environmental assessment. In view of the fact that last week I was told by the minister that the same report—if this is the same report—was not due for some weeks, will the minister say exactly what status this preliminary report has and whether he will table it in the House so that parliament and the people of Canada may have the opportunity of examining this report and comparing it to the final report which presumably will follow?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will check into that. I was told that the report would be issued only in one months' time. I do not know what the hon. member has in his hands. I will have to see it.

DATE OF PUBLICATION OF REGULATIONS GOVERNING EXPLORATION FOR GAS AND OIL IN THE NORTH

Mr. Bill Jarvis (Perth-Wilmot): In light of the fact that the report which, quite frankly, is very complimentary to Dome Canmar in terms of their operations last summer, clearly indicates that oil and gas development, if effectively planned and regulated, can work to the advantage of northern communities while having a minimal impact on the environment, will the minister tell the House when the proposed oil and gas regulations, which have been some seven years in gestation, will appear, and when they appear, will they go beyond the financial regulations mentioned in the May, 1976 statement and include a comprehensive environmental protection regime?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): With respect to the oil and gas regulations, I am reviewing them right now. As a matter of fact, I was working on them over the weekend and they should be out soon, but I cannot give the exact date. With respect to the report, or alleged report, referred to by the hon. member, I can only say that our final decision will be based on the information we have received at the end of the exercise, and as far as I am concerned, the exercise is not yet finished. I do not know to what exactly the hon. member was referring.

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[*Translation*]

ANTI-INFLATION BOARD

POSSIBILITY OF MEASURES FOR POST-CONTROL PERIOD

Mr. Yvon Pinard (Drummond): Mr. Speaker, I want to ask a question of the Minister of Labour, but since he is absent, I shall direct it to his parliamentary secretary.

We know that the finance ministers have discussed the economic aspects of eventual measures preparing the end of the controls. So what is the Minister of Labour doing with respect to the effects of the post-control measures on labour agreements?

Mr. Jacques Olivier (Parliamentary Secretary to Minister of Labour): The Minister of Labour has had discussions with labour unions and some directors of companies, which is a first step. The conference which will take place tomorrow morning with all the provincial labour ministers is extremely important and will prepare the second step. We want to enter into a new era of progress and consultation between unions and all economic agents throughout Canada, to reduce the number of conflicts arising now between unions and employers.

* * *

● (1440)

[*English*]

HARBOURS

PROPOSED OIL TERMINAL FOR KITIMAT PIPELINE—POSSIBILITY OF AGREEMENT WITH BRITISH COLUMBIA ON CONSTRUCTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question concerns the proposed Kitimat pipeline and since this matter comes under three ministers I will direct my question to the Minister of Transport, in view of the fact that I assume he is responsible for the marine facilities for transferring oil from the supertankers to the proposed pipeline. In view of the fact that the government of British Columbia has some constitutional authority, particularly with respect to these facilities which are above the high water mark, I should like to ask the minister if there have been any discussions with the government of British Columbia with respect to this matter and whether they have given their agreement to proceeding with the proposal in the event it is approved by the National Energy Board and the cabinet?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there have been preliminary discussions with British Columbia government officials but certainly there is no question at this time of a blank cheque approval of any sort. Our position is that much further examination has to take place and an assessment made of the proposals themselves. This process is going on. I do not think anyone would want to make a judgment until all of that is in.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. May I ask the minister if he considers it will be necessary to have the agreement of the government of British Columbia prior to such project being approved or does this government feel it can proceed without the approval and agreement of the province of British Columbia?

Mr. Lang: Mr. Speaker, I would hesitate to answer such an obviously hypothetical question because I could not envisage all the circumstances and the exact nature of the expression of opinion by that government. I can say we have been developing an extremely good working relationship with British Columbia and I would look forward to the two governments agreeing fully on whatever has to be done.

ENVIRONMENTAL AFFAIRS

KITIMAT PIPELINE—REQUEST FOR ASSURANCE NO DECISION ON CONSTRUCTION UNTIL PUBLIC HEARINGS HELD

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question for the Minister of Fisheries and the Environment regarding the hope he expressed the other day that there would be public hearings with respect to the proposal for the Kitimat pipeline. May I ask the minister now when such hearings will be held, in what areas they will be held and for an assurance that no final decision will be made until those public hearings have been held and all who wish to are given an opportunity to express their views?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, what was a hope is a decision. The cabinet has decided public hearings should be held—

Some hon. Members: Hear, hear!

Mr. LeBlanc (Westmorland-Kent): —on the seaward or the terminal aspect of this project. The National Energy Board hearings obviously are another matter. I indicated when I was in British Columbia last week that the hearings would be held in that province and in more than one area of the province obviously. The exact type of hearings and their parameters are the subject of discussion between my colleagues and myself. We want to make sure that we have the best type of person to head these hearings. In fact, the gathering of technical data required before a hearing could take place takes us to roughly late April; that is the most optimistic prognosis. When all is said and done, public hearings on that issue could not be held before all the technical data and the assessments are accumulated and made available so that the discussion could be a well-informed one.

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TRANSPORT

APPOINTMENT AND TERMS OF REFERENCE OF COMMISSION TO STUDY PROBLEMS IN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Transport. In view of the continuing transportation problems in the province of Newfoundland, has the minister made a decision on the appointment of a commission to look into those problems and if so what are the terms of reference and the make-up of the commission?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we have confirmed that we are happy indeed to join in the appointment of a commission and we are still looking to finalize certain details in relation to it with the government of Newfoundland. We therefore have nothing to announce about the appointment of the commission at this time.

Oral Questions

HIGHWAY CONSTRUCTION IN ATLANTIC PROVINCES—REQUEST FOR PROGRESS REPORT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A supplementary question, Mr. Speaker. On the broader question of transportation in the Atlantic region, would the minister indicate, as a result of his meeting with the Atlantic region transportation ministers, what progress is being made with regard to the great need for strengthening highway programs in the Atlantic region, particularly in view of the deterioration of the highways of the province of Newfoundland so necessary to economic development?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, as the communiqué following our meeting indicated, there was agreement in principle with the general idea that certain moneys which otherwise would have been spent in the Atlantic region in relation to certain programs—and where it was agreed that those moneys were not particularly serving their original purposes of promoting development—that they would be diverted toward such matters as a highway strengthening program. That agreement in principle will be worked out in detail in the next weeks in terms of concrete actions and proposals and programs.

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CITIZENSHIP

DELAY IN PROVIDING FORMS TO SIMCOE, ONTARIO—POSSIBILITY SUBCOURTS PHASED OUT

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my question was for the Secretary of State but in his absence I will address it to the parliamentary secretary. Following the wide publicity given to the proclamation of the new Citizenship Act, large numbers of persons came to make applications under the new act at the citizenship court in Simcoe, Ontario, only to find that no application forms were available. Does this delay by the Department of Secretary of State in forwarding proper forms indicate a phasing out of these so-called subcourts?

Mr. Jacques Guilbault (Parliamentary Secretary to Secretary of State): Mr. Speaker, the Department of the Secretary of State has been getting ready for a long time to face a possible increase in the number of applications. I understand that no special long-term backlog is supposed to exist with the plans we have. I did not quite get the last part of the question regarding a possible phaseout of a subcourt. I have never heard of anything of that nature.

Mr. Knowles (Norfolk-Haldimand): Mr. Speaker, the subcourt acts in conjunction with the larger citizenship court, such as those in the cities of Hamilton and Brantford, for example. This happened in Simcoe which is under them, so to speak. Will the minister undertake a review of the excellent work being done by this type of court, presided over by county court judges, with a view to providing sufficient clerical staff at least on a part-time basis?

[Mr. Lang.]

Mr. Guilbault: Mr. Speaker, additional staff has been trained and should remain available in the location mentioned by the hon. member.

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HAZARDOUS PRODUCTS

POLYCHLORIDE AND POLYSTYRENE—REASON FOR VOLUNTARY RATHER THAN COMPULSORY REGULATIONS GOVERNING USE

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question to the Minister of Consumer and Corporate Affairs involves polychloride and polystyrene plastics. The former minister informed the House on two or three occasions that we could expect a firm set of regulations involving these fire hazard plastics which police chiefs across Canada and Department of Public Works officials have said are very, very hazardous. Can the minister inform the House why he has chosen to take the voluntary compliance route as opposed to a strict set of regulations, and is he satisfied that the plastic companies now involved are voluntarily complying with these standards to the extent they would if there were a serious set of regulations for these highly dangerous and inflammable substances which can cause death and destruction?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I welcome the opportunity to be able to answer the hon. member in an informed way but I am afraid I am going to have to check on this unless he can give me more details.

Mr. Grafftey: A supplementary question, Mr. Speaker. The minister's department is one concerned with many details and this is the fifth successive time the minister has answered me in such a way. This is not a detailed problem, it is a very serious problem that the minister has been informed of on many occasions. Can he tell the House why he has told me and the industries that instead or regulations they are going to have voluntary compliances?

Mr. Abbott: Mr. Speaker, I can answer the hon. member in accordance with the material I have but I thought he could raise a more specific point. The department has been working with the Canadian plastics industry to develop labelling procedures and all the other procedures that will warn people that where there is foam insulation it should be covered with an adequate thermal barrier such as half inch plastic board. I am reading this very useful résumé. I should like to be able to bring to the hon. member a precise answer to his question which is whether we can involve voluntary procedures or regulations. At this stage, I cannot give him an answer.

● (1450)

AGRICULTURE

FREIGHT ASSISTANCE FOR FEED GRAIN—REPLY TO BRIEF OF BRITISH COLUMBIA FEDERATION OF AGRICULTURE

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Minister of Agriculture. Has the minister been able to reply to the brief on feed freight assistance for British Columbia, presented to him by the British Columbia Federation of Agriculture?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we met with the British Columbia Federation of Agriculture and discussed that item. The question of feed freight assistance is being considered. The Canadian Livestock Feed Board should be submitting a formal report to me shortly. It may be in my office now—I have not checked in the last couple of days.

* * *

SEARCH AND RESCUE

POSSIBILITY OF BRITISH COLUMBIA SHIPYARDS BUILDING NEW VESSELS—GOVERNMENT POSITION

Mr. Ron Huntington (Capilano): Mr. Speaker, my question is for the Minister of Transport. In view of the minister's statement, as reported in *Hansard*, page 3138, to the effect that the program for Canadian coastguard search and rescue facilities will be put in place, will the minister advise when our empty shipyards will be given the opportunity to build the three 232-foot cutters and the fourteen 65-foot rescue vessels which were announced during the May, 1976 hearings in Vancouver?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the particular vessels are no longer involved in exactly that way in the program. The decisions to build particular vessels will be taken in due course. At the moment, as I indicated to the hon. member, we have discovered that a good deal of additional search and rescue time can be provided by giving that task to existing government vessels and having them in operation much longer hours than hitherto. That permits them to accommodate both search and rescue and other tasks, such as fishery tasks and surveillance, which they have to do. This has meant that we have been able to provide a good deal more search and rescue capability, with a maximum advantage for every taxpayer dollar spent.

Mr. Brisco: You mean, every American tax dollar.

Mr. Huntington: A supplementary question, Mr. Speaker. I wonder if the minister would explain his answer as reported on page 3138 of *Hansard*. Answering my question, he said that the program which was announced in May, 1976 at the transport committee hearings in Vancouver would be put into place. I did not understand his answer today.

Mr. Lang: Mr. Speaker, I said that the program which the government has announced is to be put into place and that that will involve the addition of vessels, as they are required and as they were envisaged in the course of the program. The absence of immediate construction of all vessels must be considered in the light of a good deal of additional vessel time being available as a result of the longer-hour tasking of existing vessels.

* * *

CANADIAN BROADCASTING CORPORATION

REASON FRENCH NETWORK IN QUEBEC NOT BROADCASTING PRIME MINISTER'S ADDRESS TO UNITED STATES CONGRESS

Mr. Frank Maine (Wellington): Mr. Speaker, my question is for the Secretary of State. In his absence, may I direct it to the parliamentary secretary? It has been brought to my attention that the CBC's French network in Quebec will not be broadcasting the Prime Minister's address to the joint session of the United States Senate and Congress tomorrow.

Mr. Paproski: Too bad.

Mr. Maine: Will the Secretary of State inquire of the CBC why a news item of such national and international importance does not merit the attention of Canadian citizens in the province of Quebec?

[*Translation*]

Mr. Jacques Guilbault (Parliamentary Secretary to Secretary of State): I was not aware of the issue raised by the hon. member, but I shall make inquiries of the CBC as to the validity of this rumour.

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

REQUEST FOR ASSURANCE OF MAINTENANCE OF SERVICE AND NO LAY-OFFS IN NEWFOUNDLAND PENDING COMMISSION REPORT

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct my question to the Minister of Transport? Earlier in the question period he referred to the pending appointment of a royal commission for the province of Newfoundland which is to look into CN operations in that province. Has the minister held discussions with the president of Canadian National, to determine if there is an undertaking by CN to maintain its level of services during the course of this inquiry and if there is a further undertaking to the effect that there will be no more lay-offs until the commission of inquiry reports?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I should like to make it clear that we are talking about a commission which will look into transportation matters generally, and not look simply into matters relating to Canadian

National. The question of Canadian National's activities in Newfoundland during the period of the existence of the commission has been very much a matter of discussion in connection with its development. I expect to have an expression indicating the position which Canadian National will take, an expression which I think will be of benefit to the atmosphere surrounding the commission's deliberations.

* * *

FISHERIES

SURVEILLANCE OF 200-MILE ZONE—GOVERNMENT ACTION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Fisheries and the Environment. Since Captain Symes of the trawler *Cape John* is publicly reported as saying that Canada has had no surveillance capability on Hamilton Bank since the beginning of this year other than aircraft on a fine day—and fine days have been few and far between—and since this has resulted in some 58 foreign trawlers using small mesh trawl, grinding up thousands of small fish into fish meal, will the minister inform the House if Canada intends to assume control of its fisheries resources within the 200-mile zone and, if so, when will the minister begin adequate ship surveillance in the north and the Gulf of St. Lawrence, surveillance which depends on the use of ship-based inspection officers?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I certainly would not agree with the statement attributed to the captain whom the hon. member quoted. I saw that press article during the weekend but have not had a chance to check those allegations. Frankly, I doubt some of the assertions in the article but will not quibble before I have checked the facts. I will give the hon. member full information.

STUDY OF FISH STOCKS IN GULF OF ST. LAWRENCE—REQUEST FOR PROGRESS REPORT

Mr. Lloyd R. Crouse (South Shore): A supplementary question, Mr. Speaker. The minister has promised the so-called Gulf of St. Lawrence project which was to provide figures on the interdependence of fish stocks, distribution of stocks at any given time as well as where they spawn and when, but the project was never undertaken. Since this is the type of information the government and industry require before quotas on any species can be allocated, when does the minister plan to proceed with his promised Gulf of St. Lawrence project and stop scuttling his own management scheme?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, the Gulf of St. Lawrence is one of the best fishing areas known to us, but there is still some research to do, as there is in every other fishery of this country. We are trying to establish the priorities where they belong. We need proper knowledge based on proper research in order to manage our resources. We have information about the redfish fishery of the Gulf of St. Lawrence, which is in most serious danger. We have full information and have been in possession of it since 1973. At that time we indicated to the industry that by the end of 1975 we would be running into serious trouble in the Gulf of St. Lawrence with respect to redfish.

* * *

AGRICULTURE

DATE OF APPOINTMENT OF DEPUTY MINISTER—SUGGESTION PERSON APPOINTED BE FAMILIAR WITH AGRICULTURE

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, my question is for the Minister of Agriculture. Since the Department of Agriculture has been without a deputy minister for some two months, can the minister say when we can expect an appointment to this important position?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have some very good assistant deputy ministers. One of them, Mr. Jarvis, is acting deputy minister and, as well, we have a very good Minister of Agriculture.

Some hon. Members: Oh, oh!

Mr. Hamilton (Swift Current-Maple Creek): Mr. Speaker, my supplementary question is addressed to the Acting Prime Minister, can the Acting Prime Minister give some assurance that the new deputy minister of agriculture will at least be familiar with agriculture, so that we do not repeat the sort of previous unfortunate appointment.

An hon. Member: How about Beryl Plumptre?

* * *

VETERANS AFFAIRS

PROPOSAL TO INCREASE DISABILITY PENSION—GOVERNMENT POSITION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the President of the Privy Council. I am sure all of us in this House regret the illness of the Minister of Veterans Affairs, an illness which is responsible for his continuing absence. We hope that his health will soon be fully restored. In the meantime some pressing questions have to be dealt with, and I should like to address one of them to the government House leader today. Since the rate of the 100 per cent war disability pension which was established in 1972 in relation to the composite of five public service groups has now fallen behind that composite rate by more than $500 a year, will the government look into this matter and bring in legislation to close the gap, in fairness to our disabled war veterans?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I appreciate on behalf of the Minister of Veterans Affairs the comments the member made about the minister, especially his hope for a quick recovery. If I may answer the point about the relationship of the disability pension to the

composite index, I will be happy to look into the question and see what can be done.

* * *

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR ASSURANCE NEW COMMISSIONER APPOINTED FROM WITHIN RANKS

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Solicitor General. Since the majority of problems in our penitentiary system have been caused by the appointment of people with no previous service, will the minister assure the House that the new commissioner of the RCMP will be appointed from within that service?

[*Translation*]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I have already replied to the questions of the hon. member's colleague. I repeat, the press release of the Prime Minister replies to questions such as these and I have nothing to add to the replies I made to his colleague a few minutes ago.

* * *

[*English*]

AGRICULTURE

DAIRY POLICY ADVOCATED DURING GATT NEGOTIATIONS

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is supplementary to that of the hon. member who asked about dairy policy. I could direct it to the Minister of Finance but will direct it to the Minister of Agriculture, in the hope he has provided some input with respect to this policy. Since agriculture is an important component in the Tokyo round of talks now being held in Geneva in connection with the General Agreement on Tariffs and Trade, will the minister indicate what position with respect to dairy policy he has advocated to our officials when they talk with officials of other countries during the GATT round of negotiations?

● (1500)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it would not be proper for me to say exactly what instructions our people have been given. However, they are taking an active part. After having met with the provincial people to discuss the position we should take, they will then be discussing along this plain.

Mr. Murta: Mr. Speaker, my supplementary question is very simple. Will Canada's position be to advocate more control over imports of dairy products into Canada or to not advocate greater control over imports of dairy products into Canada?

Mr. Whelan: Mr. Speaker, our program will not be changed very much. Never in our history has there been more control over dairy products than since we instigated the Canadian Dairy Commission. We will not be changing that attitude.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I wonder if I might ask the government House leader to let us know what he has in mind for tomorrow and subsequent days as far as government business is concerned.

Mr. MacEachen: Mr. Speaker, hopefully we will complete second reading of the fiscal relations bill today. Tomorrow we will start with the National Transportation Act amendments. Wednesday has been designated as an allotted day.

Mr. Hnatyshyn: Mr. Speaker, in the event that we do not complete Bill C-37, the federal-provincial fiscal bill—and that is a very distinct possibility—will the government's order of business change? Will the government House leader address himself to that question?

Mr. MacEachen: Mr. Speaker, we will carry on with that bill tomorrow, in the unlikely event it does not pass today.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, with regard to the point of order that has just been raised, may I ask a supplementary question? If we do finish the item that is before us today, and have to take something else tomorrow, is it not a fact there was some discussion as to whether we would take Bill C-33, the National Transportation Act, or Bill C-17 having to do with Air Canada? The last word I had was that we would proceed with the Air Canada bill.

Mr. MacEachen: Mr. Speaker, I always relate my decision to call the Air Canada bill to some clear understanding as to how much time it will take. If we had some understanding that the Air Canada bill could pass relatively quickly, I would be ready to call it before the National Transportation Act. However, if that is not the case, I would give a higher priority to getting a start on the National Transportation Act.

Mr. Knowles (Winnipeg North Centre): It would be better to call the human rights bill.

Mr. MacDonald (Egmont): With regard to the government House leader's announcement concerning the possibility of the National Transportation Act being debated as early as tomorrow, may I ask whether the House leader has made arrangements with the Minister of Transport to table, before the debate begins on second reading, the proposed amendments that apparently were agreed to by the Minister of Transport and the four Atlantic governments a couple of weeks ago so that there can be a full understanding of the nature of these amendments to the National Transportation Act when we have the second reading debate?

Mr. MacEachen: No, Mr. Speaker, I have not had any such consultations up to the present time.

Estimates

ROUTINE PROCEEDINGS

[*Translation*]

FISHERIES ACT

MEASURE TO AMEND CRIMINAL CODE IN CONSEQUENCE THEREOF

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment) moved for leave to introduce Bill C-38, to amend the Fisheries Act and to amend the Criminal Code in consequence thereof.

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

* * *

[*English*]

AGRICULTURE

STANDING COMMITTEE TO INQUIRE INTO MARKETING OF BEEF AND VEAL

On the order: Government notices of motion:

February 18—The President of the Privy Council—That the Standing Committee on Agriculture inquire into the marketing of beef and veal and for that purpose that it review the report of the "Commission of Inquiry into the Marketing of Beef and Veal, 1976".

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the House.

* * *

ESTIMATES

REFERENCE OF CERTAIN ESTIMATES TO STANDING COMMITTEES

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, pursuant to Standing Order 59(1), I move, seconded by the Minister of Finance (Mr. Macdonald):

That the estimates of sums required for the service of Canada for the fiscal year ending March 31, 1978, be referred to the several Standing Committees of the House, as follows—

A copy of the detailed outline of the estimates and their destination has been circulated. It is, I believe, identical to the motion adopted last session. I would, therefore, beg the indulgence of the House to be spared reading this long list.

Mr. Speaker: If it is correct, the copies have been distributed to all the parties. If there is no objection, rather than reading—

Mr. Hnatyshyn: Mr. Speaker, we have the assurance of the House leader that the motion is in the traditional form. If not, will he point out to us at this time any significant departures? I believe that would be satisfactory.

Mr. Knowles (Winnipeg North Centre): Agreed.

[Mr. MacEachen.]

Mr. Gauthier (Roberval): Agreed.

[*Editor's Note: The motion referred to is as follows:*]

That the estimates of sums required for the service of Canada for the fiscal year ending March 31, 1978, be referred to the several standing committees of the House, as follows:

To the Standing Committee on Agriculture

Agriculture votes 1, 5, 10, 15, 20, 25, L30, 35, 40, 45, 50, 55, 60 and 65

To the Standing Committee on Broadcasting, Films and Assistance to the Arts

Communications votes 1, 5 and 10

Secretary of State votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, L80, 85, 90, 95 and 100

To the Standing Committee on External Affairs and National Defence

External Affairs votes 1, 5, 10, L15, 20, 25, 30, L35, 40 and 45

National Defence votes 1, 5, 10 and 15

To the Standing Committee on Finance, Trade and Economic Affairs

Finance votes 1, 5, L10, 15, 20, 25, 35 and 40

Industry, Trade and Commerce votes 1, 5, 10, 15, L20, L25, L30, L35, 40, 45, 50, 55, 60, 65 and 70

National Revenue votes 1, 5 and 10

Privy Council vote 20

To the Standing Committee on Fisheries and Forestry

Environment votes 1, 5, 10, 15, 20, 25 and 30

To the Standing Committee on Health, Welfare and Social Affairs

Consumer and Corporate Affairs votes 1, 5, 10, 15, 20 and 25

National Health and Welfare votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60 and 65

Urban Affairs votes 1, 5, 10, L15, L20, 25, 30 and L35

To the Standing Committee on Indian Affairs and Northern Development

Indian Affairs and Northern Development votes 1, 5, 10, L15, L20, 25, 30, 35, L40, L45, L50, L55, 60, 65, 70 and L75

To the Standing Committee on Justice and Legal Affairs

Justice votes 1, 5, 10, 15, 20, 25 and 30

Solicitor General votes 1, 5, 10, 15, 20 and 25

To the Standing Committee on Labour, Manpower and Immigration

Labour votes 1 and 5

Manpower and Immigration votes 1, 5, 10, 15, 20, 25 and 30

To the Standing Committee on Management and Members Services

Parliament votes 5 and 10

To the Standing Committee on Miscellaneous Estimates

Finance vote 30

Governor General and Lieutenant Governors vote 1

Parliament vote 1

Privy Council votes 1, 5, 15 and 25

Science and Technology votes 1, 5, 10, 15, 20, 25, 30, 35 and 40

Secretary of State vote 105

Supply and Services votes 1, 5, L10, 15, 20 and 25

Treasury Board votes 1, 5, 10, 15, 20 and 25

To the Standing Committee on National Resources and Public Work

Energy, Mines and Resources votes 1, 5, 10, 15, 20, L25, 30, 35, 40, 45, L50, L55, L60, L65, L70 and 75

Public Works votes 1, 5, 10, 15, 20, 25, 30, 35 and 40

To the Standing Committee on Privileges and Elections

Privy Council vote 10

To the Standing Committee on Regional Development

Regional Economic Expansion votes 1, 5, 10, L15, L20, 25 and 30

To the Standing Committee on Transport and Communications

Post Office votes 1 and 5

Transport votes 1, 5, 10, 15, 20, 25, 30, L35, 40, 45, 50, 55, 60, 65, L70, L75, 80, 85, 90, 95, 100, L105, 110, 115 and 120

To the Standing Committee on Veterans Affairs

Veterans Affairs votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45 and 50

Motion agreed to.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 838, 1005, 1170, 1248, 1414, 1496, 1503, 1524, 1610 and 1686.

[*Text*]

MALTON AIRPORT

Question No. 838—**Mr. Horner:**

1. What amount is being spent to improve the facilities at Malton Airport?

2. What is the cost for each specific improvement?

Hon. Otto E. Lang (Minister of Transport): 1. $115,503,000, Total estimated cost.

2. Land developments and improvements Phase I, $1,251,000; Airfield, $1,425,000; Terminal No. 1 Phase I, $15,484,000; Terminal No. 2 Stage III, Phase I, $35,063,000; Utilities Phase I, $6,993,00; Roads and Parking Phase I, $44,766,000; Unapplied common construction costs, $2,146,000; Recoverable capital costs Phase I, $2,859,000; Energy Recovery System $3,980,000; Instal key card door control system, $400,000; Remedial repairs to parking structure, $525,000; Improve security facilities $611,000; Total $115,503,000.

APPEALS CONCERNING DESIGNATION OF A POSITION AS BILINGUAL

Question No. 1,005—**Mr. Howie:**

What persons can appeal the designation of a position in the Public Service as bilingual and when such a position is vacant, can anyone appeal?

Hon. Robert K. Andras (President of Treasury Board): The Treasury Board secretariat is responsible for the designation of positions as bilingual, in co-operation with representatives of departments and agencies for which the Treasury Board is the employer, and in consultation with representatives of the bargaining agents where appropriate. Unilingual incumbents of positions designated bilingual may elect to become bilingual and undertake language training, or transfer to another job having the same salary maximum, or, if they were to decline such a transfer, to remain in their positions even though designated as bilingual. With regard to vacant positions, however, according to section 21 of the Public Service Employment Act, an appeal can be put forward where there is a staffing action for a position but only by persons directly affected by the appointment. No other specific reason is set out by the act.

Order Paper Questions

MOUNTAIN CLIMBING IN NATIONAL PARKS

Question No. 1,170—**Mr. Yewchuk:**

Are any conditions placed on mountain or rock climbing activities in the (a) Kluane (b) Nahanni (c) Yoho (d) Banff (e) Jasper (f) Waterton (g) Auyuittuq (h) Forillon National Park and, if so, what are they?

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): (a) to (f) Section 23 of the National Parks General Regulations stipulates that climbers must check in and out with the park warden service when attempting a climb of any difficulty. (g) Auyuittuq National Park—The conditions imposed are as follows: (1) All climbers must be registered; visitors must sign in, indicate their itinerary, the length of time anticipated and so on. (2) During the summer, two guards are kept on duty at Pangnirtung Pass to check on comings and goings of visitors and to provide aid and assistance if necessary. (3) All equipment is inspected. (h) Forillon National Park—There are no mountain or rock climbing activities here because of the poor quality of rock.

CNR INVESTMENT IN CAST GROUP OF COMPANIES

Question No. 1,248—**Mr. Forrestall:**

1. Has a return on the money invested by Canadian National Railways in the CAST group of companies been realized and, if so, in each case, has the return been paid to CN and (a) if so, in what form (b) if not, for what reason?

2. What has been the percentage return on investment in each company and what has been the total dollar amount (a) earned (b) paid to CN?

3. Has the money earned been reinvested in the CAST group and, if so, has this been approved by the (a) CN Board of Directors (b) President of CN (c) Cabinet?

4. Has the CN equity in the CAST group been used to finance any new ventures by the CAST group and (a) if so, what is the nature of such ventures (b) if not, are any such ventures contemplated in the immediate future and what is their nature?

5. Can or does the CN intend to withdraw its money from the CAST group in the foreseeable future and, if not, for what reason?

6. For each CAST company, by office and/or title, what are the names of the CN personnel who hold offices?

7. What is the rationale for the investment of CN money in the CAST group?

8. Were CN personnel in their capacity as officers/directors of CAST companies involved in the recent decision of the CAST group to commence a container service between Montreal and Manchester/Liverpool?

9. Did CN personnel involved in this decision concur with this decision and, if so, are they aware of the potential competitive damage which may be done to other carriers serving the Canada/UK trade?

Hon. Otto E. Lang (Minister of Transport): The management of Canadian National Railways advises as follows: 1. (a) and (b) CN, as a shareholder of CAST, has not received, to date, a direct return on its investment, since no dividend has been declared in respect to profits earned by CAST in the fiscal year ending March 31, 1976. However, indirect benefits have accrued to CN from the enhancement of its equity and from the inland handling of CAST traffic.

2. (a) and (b) The direct percentage return on investment received by CN is nil.

3. (a), (b) and (c) No additional investment in the CAST group of companies has been made by CN.

4. (a) and (b) Funds received from CN's purchase of equity in the CAST group were used to finance, in part, a special portfolio investment by that group in shares of Manchester Liners Limited and of Furness, Withy and Company, Limited.

5. CN does not have such a right or intention.

6. No CN personnel holds an office in any company within the CAST group. Mr. R. A. Bandeen, President of CN, representing CN shareholdings in CAST, is a director of Intercast, S.A. and of Eurocanadian Shipholdings Limited.

7. CN regards its equity in the CAST group as being a prudent financial investment and as one made in an organization that engages in business activities which are related to and capable of benefiting the conduct of CN's own undertaking.

8 and 9. As director, Mr. R. A. Bandeen concurred in a decision of CAST directors approving the proposed addition of Liverpool as a port of call to the Transatlantic container services offered by CAST. The recommendation was considered from the viewpoints of a director, as referred to in paragraph 6, and as affording to the public the option of an additional competitive shipping service.

FRENCH WINE TRANSPORTATION BY AIR CANADA

Question No. 1,414—**Mr. Cossitt:**

1. Was any French wine recently transported free of charge from France to Canada by Air Canada and, if so (a) what was the date, point of origin and departure (b) who owned the goods involved (c) what is the name and address of those to whom it was shipped (d) what would have been the cost had Air Canada charged for the shipment?

2. Have there been other occasions since January 1, 1972 when Air Canada on any of its flights carried freight or express items free of charge and, if so, in each case (a) what was the date, point of origin and destination (b) what was the nature of the goods involved and the estimated value (c) what would have been the cost if Air Canada had charged for the shipment (d) who owned the goods involved and what is the name and address of those to whom they were shipped (e) what is the total value of all goods shipped free by Air Canada since January 1, 1972?

Hon. Otto E. Lang (Minister of Transport): The management of Air Canada advises as follows: 1. Yes. For promotional purposes in accordance with company and Canadian Transport Commission regulations. a) November 16, 1976. Paris, France. (b) and c) English-Gunn Limited, 87 Front Street East, Toronto, Canada M5E 1B8 d) $812.50.

2. Air Canada constantly seeks to promote and develop the movement of people and commodities. In order to do so, the airline sometimes provides a certain amount of free transportation, drawn from a closely controlled allotment and in accordance with Canadian Transportation Commission regulations. In addition, Air Canada frequently provides assistance during times of national or international disasters, such as shipping emergency medical and other supplies to earthquake victims in Guatemala and airlifting supplies of processed food to Bangladesh. Also, the airline assists such organizations as the Red Cross and the Canadian Cancer Society on a continuing basis. However, a list of all occasions since January 1, 1972, that Air Canada shipped goods free of charge is not easily available and it would take an inordinate amount of clerical time and cost to search for and obtain this and other requested information.

[Mr. Lang.]

INDUSTRIAL POSTDOCTORATE FELLOWSHIP PROGRAMME

Question No. 1,496—**Mr. Herbert:**

1. In each of the past five years, how much has been granted to businesses through the Industrial Postdoctorate Fellowship Programme towards the salary of newly hired Ph.Ds.?

2. Is such assistance restricted to the hiring of Canadian citizens?

3. Is such assistance available to foreign controlled corporations?

4. Is there any monitoring programme of those hired with subsidy to establish the length of time employed by the company receiving the subsidy?

Hon. James Hugh Faulkner (Minister of State for Science and Technology): In so far as th[illegible]tional Research Council of Canada is concerned, the [illegible]s as follows: 1. 1971-72, $195,000; 1972-73, $418,0[illegible]74, $687,000; 1974-75, $769,000; 1975-76, $771[illegible]

2. Canadian citizens or landed immigrants. Landed immigrants must have received their doctorate degree from a Canadian University.

3. Yes, companies operating in Canada.

4. Yes, monthly payments are made upon receipt of invoices from the company.

ENGLISH LANGUAGE TRANSMITTERS TO SERVICE COW HEAD, PORT SAUNDERS, HAWKES BAY, PORTLAND CREEK AND TROUT RIVER

Question No. 1,503—**Mr. Marshall:**

1. Has CBC applied to CRTC under the accelerated coverage plan to install English language television transmitters designed to provide service to areas around Cow Head, Port Saunders, Hawkes Bay, Portland Creek and Trout River, Newfoundland and, if so, on what date are public hearings scheduled?

2. On what date will action be taken for (a) acquisition of land (b) site clearing, road development (c) power line construction, etc. (d) erection of buildings (e) installation of mechanical equipment (f) installation of technical equipment (g) erection of towers (h) erection of antennae (i) erection of transmission lines (j) transmitter equipment, list and ancillary equipment?

Hon. John Roberts (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Applications for installations in the Cow Head and Trout River areas were submitted to the CRTC in January 1977. It is expected that applications for installations in the Port Saunders/Hawkes Bay and Portland Creek areas will be submitted in February 1977. No CRTC hearings have yet been scheduled for the Cow Head and Trout River applications.

2. (a) Negotiations are now proceeding to obtain options on the properties selected as transmitter sites; (b), (c), (d), (e), (f), (g), (i), (j). The necessary work will proceed as quickly as possible, subject to CRTC approval, weather conditions and availability of material and equipment.

UIC—FIRST APPLICATIONS

Question No. 1,524—**Mr. Laprise:**

How many first applications have been submitted to the Unemployment Insurance Commission for the fiscal years (a) 1972-73 (b) 1973-74 (c) 1974-75?

Hon. Jack Cullen (Minister of Manpower and Immigration): (a) 2,024,050; (b) 1,983,034; (c) 2,262,213.

ARTICLE ENTITLED "NOVEL FISH ESCALATOR PROVES SUCCESSFUL"

Question No. 1,610—**Mr. Beatty:**

Is the author of the article entitled "Novel Fish Escalator Proves Successful" published in the January, 1977 issue of the Department of Supply and Services' *R and D Bulletin* still in the Department's employ and, if so (a) is a future article planned to elaborate on the quotation attributed to the president of the company marketing the fish ladder in which he states that it is being marketed in the United States because "... it has tremendous potential there with so many rivers being damned" (b) was the author able to determine from his research by whom and for what reason so many rivers are "being damned"?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): See Beauchesne's Parliamentary Rules and Forms, 4th Edition, Citation 171 (a) and (b).

MEASURES TO REDUCE BACKHAULS AND IMPROVE CAR UTILIZATION IN SASKATCHEWAN

Question No. 1,686—**Mr. Neil:**

Has the Minister of Transport requested CN and CP rail to implement measures in Saskatchewan to reduce backhauls and improve car utilization similar to Alberta, as stated in his news release of December 31, 1976?

Hon. Otto E. Lang (Minister of Transport): Some grain originating at points in Saskatchewan is already affected by the reciprocal agreement and is thus benefiting from more direct routing. I have not formally requested the railways to implement measures to reduce backhauls although both CN and CP know my feelings on the subject. The Canadian Transport Commission has been acting as an intermediary with the railways and I have requested the CTC to look at extending the concept wherever applicable in the prairies. I have specifically requested the CTC to look at improving grain flows to Churchill. Such an improvement would help to reduce unnecessary car mileage, particularly in Saskatchewan.

* * *

[*English*]

STARRED QUESTIONS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred questions Nos. 1,461 and 1,462? I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

*RIDEAU RIVER—SPRING FLOODING

Question No. 1,461—**Mr. Baker (Grenville-Carleton):**

1. Will additional measures be taken this winter to reduce the possibility of spring flooding from the Rideau River and, if so, what are they?

2. Did the Rideau Canal Authority make a verbal commitment to lower the water level an additional two feet between freshet and, if so, on what date will it do so?

3. In the section of the River from Burritts Rapids to Long Island is the River and the Rideau Canal the same and, if so, is it Parks Canada's view that the responsibility for ice jam clearance is a municipal matter only?

4. Has Parks Canada sought a legal opinion on jurisdiction in this area and, if so, with what result?

[*English*]

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the answer is as follows: 1. Yes. The reach above Long Island is being closely monitored since February 1. This involves reading additional water gauges at Beckett's Landing and Kars Bridge to better predict the onset of the spring freshet. Location and behavior of any ice jams that may occur will be observed. An independent consulting company has been retained by Parks Canada, Department of Indian Affairs and Northern Development, to refine runoff indicators and dam operating procedures. This work will involve additional snow surveys.

2. Yes. This will be done when indicated by runoff conditions on the basis of the hydrological study now underway.

3. (a) yes, (b) yes, but Parks Canada would assist in this work by control of water levels and flows.

4. Yes. The bed of the river is considered vested in Canada by the Rideau Canal Act of 1827, the BNA Act of 1867 *et al.*

[*Text*]

*RIDEAU RIVER—SPRING FLOODING

Question No. 1,462—**Mr. Baker (Grenville-Carleton):**

With reference to the answer to Question No. 511, Part 5(c), at what points in this stretch of the River is the natural configuration a problem?

[*English*]

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the flat terrain, the number of sharp bends and the several narrow sections are natural restrictions to river flow. An example is the Narrows near Manotick Marina.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHED PROGRAMS FINANCING ACT, 1977

MEASURE FOR MAKING CERTAIN FISCAL PAYMENTS AND OF ESTABLISHED PROGRAMS FINANCING CONTRIBUTIONS TO PROVINCES, ETC.

The House resumed, from Friday, February 18, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-37, to provide for the making of certain fiscal payments and of established programs financing contributions to provinces, to provide for payments in respect of certain provincial taxes and fees, and to make consequential and related amendments, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

● (1510)

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, the legislation before us is entitled the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977. But we should not be deceived by that description. For the bill which bears this convoluted label—a label which surely could only capture the imagination of actuaries and chartered accountants—in reality constitutes the latest in a series of major fiscal overhauls to our federal system. Legislation of such importance and such complexity as Bill C-37, coming as it does at this critical time in our nation's history, demands of each of us the most careful and responsible analysis. In so doing, we should recognize the interdependence of all parts of this bill when discussing its over-all impact.

What is not useful at this time is a distorted interpretation of the bill for partisan purposes, twisting it out of shape to demonstrate either that it is a panacea for the ills of confederation, or that it is an unmitigated disaster. We were treated to that kind of interpretation of the arrangements before us by the Prime Minister (Mr. Trudeau) immediately following the first ministers' conference last December. We were treated to the same kind of irresponsible analysis by the hon. member for Oshawa-Whitby (Mr. Broadbent) last Friday when he chose to ignore everything in the bill but the impact of the transfer of tax points to the provinces. Such selectivity in the reading of this legislation is hardly conducive to the strengthening of federalism, particularly at a time when partisan considerations must be subordinate to the cause of national unity.

As I said, this bill is an important one. We should give it the same attention that we would expect to give to a package of constitutional amendments or the major policies enunciated by the Minister of Finance (Mr. Macdonald) in his budget. The measures incorporated in this bill are an integral part of the framework under which Canada will be governed in the next five years. Moreover, in dollar terms we are talking about a fiscal transfer to the provinces during the next fiscal year in excess of $8 billion, or, to put it another way, a sum roughly equal to the 1965 federal budget.

What is even more important than the breathtaking sums of money involved is the fact that this bill represents federalism at work. It is a product of some ten months of difficult and often acrimonious negotiations between the federal government and the provincial governments. One would have wished that less acrimony had developed. As I will later explain, I am convinced that much of it was needless. It could have been avoided by a more astute and sensitive approach on the part of the Prime Minister and the Minister of Finance. But putting that aside for a moment, the bill does represent a consensus which all parties involved in the negotiations concluded they could live with. It does continue to provide funding for four vital national programs: revenue equalization, hospital insurance, medicare, and post-secondary education. It preserves our national taxation system. It continues the representative tax approach to revenue equalization and it embodies elements of the equalization principle in its provisions for financing so-called established programs. These features will commend it to all fair-minded Canadians.

Mr. Speaker, while I have expressed in this chamber on earlier occasions my concern about the erosion of parliament's power through the proliferation of federal-provincial conferences, nevertheless I recognize the principle that what a federal-provincial conference has joined together, parliament should not capriciously rend asunder. We believe that Bill C-37 contains sufficient merit to enable that principle to be applied to it.

Certainly, when I recall the original proposals of the Minister of Finance to his provincial colleagues last April, I am only too well aware that the outcome could have been much worse. Indeed, had the minister stuck to the guns he unveiled in that speech, had he insisted on doing away with the representative tax system and destroying the whole concept of revenue equalization by tying it to the growth of the GNP, we would have had before us today a settlement arbitrarily imposed on the provinces, rather than one they were able to accept with a greater or lesser degree of reluctance.

My colleagues and I do have reservations about the bill. We see in it errors both of commission and omission, and we want to make it very clear at the outset that if we find injustices and inequities arising from this agreement—as could well be the case—we fully reserve the right to enter into new negotiations with the provinces as provided for in the bill. This legislation involves elements of experimentation: elements which may work hardships or prove to be impractical. Since that possibility exists, a significant factor in our decision to support this bill is the fact that it is limited to a term of five years.

Having said that, let me spell out the reservations that we have as to the substance of the bill. We are concerned that the projections as to what the provinces will receive from the tax points transfer and in cash payments under the established programs financing arrangements are based on a single set of arbitrary assumptions about the rates of inflation, real economic growth and tax yields during the next five years. If a

new inflationary spiral, a cyclical boom, or continued recession should be our lot during those years, the fiscal resources available to the provinces could be dramatically greater or less than what was anticipated. Such fluctuations could make the results of these financial arrangements either equitable or inequitable. For that reason, alternative projections based on a wide range of possible economic trends should have been available for consideration during the bargaining. Had that occurred, a more informed judgment could have been made by all concerned as to the impact of the arrangements in economic circumstances other than the reasonably stable one used in compiling the single projection the minister felt obliged to provide to the provinces.

One of the main purposes of the newly established programs financing arrangements is to give the provinces more flexibility by substituting a block grant of tax points and cash payments for the previous cost-sharing arrangements which made federal funds available only for specified items of expenditures. But the established programs financing arrangements do not stand alone; they are part of a total package. The flexibility these arrangements promised is restricted by a number of factors pertaining to the bill. It is restricted, first of all, by the federal government's withdrawal from the revenue guarantee program; a withdrawal for which only partial compensation is provided to the provinces. The net result of that step will be a reduction of approximately $450 million in unconditional grants available to the provinces this year.

I know it is the contention of hon. members opposite that the revenue guarantee was never intended to go beyond the present fiscal year. But anyone who has taken the time to look into the subject with a reasonable degree of objectivity knows that the provinces were led to believe that the revenue guarantee program would continue in some form. That assurance was given them by the former minister of finance who is now waiting in some board room for the call to salvage the wreck of the Liberal party. The value of the revenue guarantee program to the provinces was further diminished by an arbitrary change in the method of calculating the payments.

● (1520)

Now, after reneging on their implied commitment to the provinces and arbitrarily changing the rules of the commitment to which they were legally bound, hon. members on your right, Mr. Speaker, came forward last week and tried to pass off this dubious conduct as part of their restraint program. Moreover, not content with that particular shell-game, they tried to represent tax point transfers to the provinces, which will replace part of the existing cash payments under the new scheme of the established programs financing, as yet another cut in government spending.

I cannot understand, when a real effort has been made in some areas genuinely to restrain government spending, why the President of the Treasury Board (Mr. Andras) would needlessly cast doubt on the credibility of his accomplishment by making the ludicrous claim that these bookkeeping adjustments represent real belt-tightening. In this instance, as in so many others, the government seems determined to be its own worst enemy.

As I have said, the withdrawal of the revenue guarantee payments imposed considerable restrictions on provincial flexibility. The ability of the provinces to reorder priorities while maintaining adequate levels of services is further constrained by the fact that the cash portion of the fiscal transfer for established programs will escalate at a rate equal to the growth in per capital gross national product. The principle that the proportion of GNP spent on these programs should remain constant has a degree of merit, but this method of implementing it has the potential, I suggest, in a prolonged period of lean economic growth, of putting considerable pressure on the provinces to cut back on services, or, at best, freeze them at unacceptably low levels. There is scope, of course, for savings by substituting low-cost alternatives for expensive services such as acute hospital care. But that scope is limited. Capable management of the national economy would be the most effective means to deal with that problem, but that kind of management is something we have notably lacked under this administration, particularly since the last election.

That is why I point this out as a danger area which may have to be dealt with by renegotiation in order to ensure that the flexibility acquired in theory is rendered practicable by adequate financing. These danger areas are very real. In December, the Prime Minister, by ignoring the impact of the withdrawal of the revenue guarantee payments, tried to create the impression that the over-all agreement was more than generous to the provinces. On Friday, instead of addressing himself to the real problems of the bill the hon. member for Oshawa-Whitby attempted to show that it was a disaster for the poorer provinces by ignoring the mitigating effects of the levelling up and transitional cash payments under the established programs financing arrangements—payments that will counteract the advantage to the richer provinces of the tax transfer. Both the Prime Minister and the hon. member for Oshawa-Whitby were, I suggest, less than honest in their presentations.

There is another danger inherent in this bill which I draw to the attention of the House. It is most unclear from the legislation what sort of conditions are going to be imposed on the provinces if they are to receive their cash grants. I note that there are going to be agreements under the hospital insurance act and the medicare act similar to those now in effect, but there is, nonetheless, sufficient latitude in the new arrangements that could eventually result in a situation where services would deteriorate in some parts of the country. At committee stage we shall be insisting on clarification of these conditions and on some guarantee from the federal government that the national standards already attained will continue.

Let me digress for a moment, Mr. Speaker, to make the comment that the GNP escalator seems to me to be a somewhat gratuitous piece of paternalism on the part of the federal government, especially in light of the fact that since 1971 federal transfers to the provinces have declined, as a percent-

age of federal expenditures, from 28.1 to 25.1, and as a percentage of the GNP from 4.5 to 4.4. During the same period, federal expenditures, exclusive of transfer payments to the provinces, have increased from 13.4 to 16.2 per cent of the gross national product.

I take these figures from the third quarter 1976 national income and expenditure accounts published this month by Statistics Canada—a source, I believe, that will be recognized by the government as authoritative. So let us hear no more of the pretence enunciated by the Minister of Finance last April that this provision—the GNP escalator or cash payments—was needed to check the extravagances of the provinces. Extravagant they may have been in the past in the administration of these programs, but as these figures indicate, since 1971 the provinces have made a real effort to bring these programs under control, an effort that those on the front benches opposite would have done well to imitate in their areas of responsibility.

However, if the federal government is in a mood to exercise leadership, may I suggest to them that they missed an opportunity to do so in a positive and constructive way. The opportunity to which I refer was the failure to explore with the provinces the possibility of an interprovincial agreement to ensure unimpeded mobility between provinces for students seeking post-secondary education. Such portability has always been—and, I am pleased to see, will continue to be—a feature of the hospital insurance and medicare programs. I believe it would be a sound contribution to national unity if the provinces could be brought together to work out an agreement which would prohibit discrimination of any kind either in admission or in fees by universities to Canadian students from any province. The negotiation of the arrangements we have before us provided an excellent opportunity which was allowed to slip by.

But beyond these defects in what the government is proposing, I take very serious exception to the way that this agreement was worked out with the provinces. What was involved in the negotiations that took place? Supposedly, the more effective financing and administration of four vital national programs. That was, and is, a matter of common interest to the federal government and the provincial governments. Yet from the outset the Minister of Finance seemed to feel he had to bludgeon his way through to a settlement. He began the process last April by virtually threatening to impose a settlement on his provincial colleagues with respect to equalization and the revenue guarantee which he knew was patently unacceptable to them.

● (1530)

The predictable effect of this hostile approach was to make the provinces equally adamant concerning their interests. Indeed, by the final stages of the negotiations the Minister of Finance had performed the remarkable feat of uniting the provinces for the first time in memory—but uniting them, I regret to add, against, not with, the government of Canada. Thus, as negotiations proceeded, even though the minister modified his proposals to make them more equitable and acceptable to the provinces, because the atmosphere had already been poisoned no sense of building a workable consensus developed. Rather, the provinces were made to feel that they were wringing essential concessions from the federal government against its will.

One of the most famous of Aesop's fables is that of the competition between the wind and the sun to get a traveller to remove his cloak. Hon. members will remember that the wind tried first. His approach was to blow the traveller's cloak off his back with his strongest blast, but the harder he blew, the more tightly the traveller held on to his cloak. When the sun's turn came, it simply beat down on the traveller, and when he grew warm enough he took the cloak off voluntarily. Throughout these negotiations the Minister of Finance used the tactics of the wind rather than those of the sun.

He did accomplish his purpose; we do have an agreement before us. But had he chosen the sunny way and had he begun by exploring the potential for consensus, rather than immediately polarizing the negotiations into a test of will, I believe he would have reached a settlement sooner, that he would have received more assistance, and less resistance, from the provinces, and that the exercise would have reduced the mistrust and relaxed some of the tensions which have marred federal-provincial relations in recent years.

My leader referred on Friday to the period of creative federalism inaugurated by the right hon. member for Prince Albert (Mr. Diefenbaker) and to the co-operative federalism of the late right hon. Lester B. Pearson. Unfortunately, the hallmark of this government will be neither creative nor co-operative, but combative federalism.

Some hon. Members: Hear, hear!

Miss MacDonald: We have a settlement of these arrangements because the will to make federalism work in this country is very strong. It is strong at both the federal and the provincial level. What the present government seems to lack is the belief that that will exists in anybody else other than itself. Feeling that it is surrounded by hostile forces, it goes into negotiations with a chip firmly in place on its shoulder. But to inspire trust one must first have the self-assurance to trust others. I am not naive enough to believe that if a conciliatory approach was adopted, every federal-provincial conference would become a love-in. There are always real conflicts of interest which can only be reconciled by hard bargaining. However, that bargaining would be far more productive if the provinces and the federal government brought to the negotiations a realization that their common purpose is to reach acceptable settlements and not to find out who will knuckle under to whom.

It is all too easy to see our problem in terms of conflict between the federal government and the provincial governments. All the attention is focused on the arenas of federal-provincial conflicts, the conferences of ministers and first ministers and the adjudication of federal-provincial disputes in the courts. It is my belief that in our concern with issues of this

kind we have lost sight of a more fundamental question. That question relates to the nature of Canada, to the reason we have a federal system and not a unitary system of government.

Conflict between the federal government and the provincial governments is not our problem; it is the symptom of our problem, a problem which has to do with the nature of this country. The reason we have a federal system and the reason we have problems with it spring from a common source: The regional character of Canada. That character is determined by our geography and size. There is a regional diversity of interests and concerns in Canada—practical, basic economic and cultural interest and concerns. These characteristics of regionalism in Canada, inherent in its nature, will not be changed simply by adjustments in the balance of power between the federal and provincial governments. The problems of regionalism in Canada cannot be solved solely by constitutional amendments or through redistribution of tax points.

I am not suggesting that constitutional amendments or the redistribution of tax points are unncessary. We clearly need to ensure a rational distribution of responsibilities and a rational allocation of funds to meet these responsibilities between the federal and provincial governments. However, it is equally important that we have national policies—federal government policies—which take into account regional differences. When this goal is not actively pursued by the federal government, Canadians tend to identify more and more with provincial governments as the obvious vehicle to redress regional imbalances and regional grievances. This growing dependency on provincial governments to provide solutions has reinforced the regional attitudes which have always existed in Canada, making us primarily concerned with the difficulties and aspirations of our immediate locales; but often we are unaware and unconcerned about the real problems and the real opportunities that exist elsewhere in the country. This turning inward has tended to make us lesser, not better, Canadians.

As provincial governments have been pressured to counteract the difficulties exacerbated by national policies which all too frequently fail to recognize the reality of a country based on regionalism, so provincial demands for more and more power to meet these pressures have escalated. When they are not met, the conflicts between levels of government, as well as the polarization between regions, also escalates. The situation in Quebec at the present time is but the most obvious and the most threatening manifestation of a deep-rooted malaise in this country. If we are to break out of this vicious circle of compounding conflicts, federalism will demand a greater degree of reconciliation and accommodation than all Canadians, particularly this government, have been prepared to offer to date.

As we pursue that arduous but necessary task of reconciling national policies with regional interests and creating the framework in which regionalism becomes the bedrock of, rather than the alternative to, strong national feeling, let us not overlook the unique and essential contribution which parliament has to make. This is, after all, the only institution in Canada which can speak for all Canadians. It is the only institution in which every community, province and region is directly represented. It is the only institution where 264 men and women come together to represent simultaneously the interests of their various constituencies and the national interest.

None of us, I believe, who has any sensitivity at all can sit long in this place and not gain an overpowering sense of the richness and diversity of Canada, of the interdependence of its parts and of its potential for greatness if we can ever fully exploit the unique contributions which each of our distinct elements has to make to the national spirit and character. Members of parliament, by our very role, have something unique to offer to any discussion on the future of federalism in this country. While the federal-provincial conference has emerged as a major forum of federalism in this country, its perspective of federalism is necessarily limited; the roles are stereotyped.

● (1540)

Mr. McGrath: It has become a private club.

Miss MacDonald: That is very true. The Prime Minister will speak for Canada. The premiers will speak for their provinces. That is the nature of their mandate. But in parliament we have a mandate to speak both for our local constituency and for Canada.

Some hon. Members: Hear, hear!

Miss MacDonald: We have that unique dual perspective which will become more and more vital as our federal system evolves. My leader put forward the proposal on Friday that prior to each major federal-provincial negotiation there should be a debate in parliament on the principles of the position, or at least of the options the federal government will present. If such a tradition were established, the general public would be informed as to the importance of the issues being negotiated at these conferences, the provinces would come into the negotiations with a clearer grasp of the nature and implications of the federal position, and the air of mystery and intrigue which now surrounds the process would dissipate.

Federalism is now facing its ultimate challenge. We can no longer entrust its fate to a close elite of 11 first ministers and their officials.

Some hon. Members: Hear, hear!

Miss MacDonald: It would be strange, indeed, if the parliament of Canada which so uniquely reflects the reality of federalism were to allow itself to be excluded from participating in the revitalization of that federalism. In the case of the bill before us today, parliament was relegated to the sidelines while these fiscal arrangements were being negotiated. Every time this happens, parliament is diminished—and at this critical time in Canada's history we need strengthened, not diminished, national institutions.

This House, Canada's national forum, must become, again, what it was intended to be—the place where the diversity

which is Canada is best represented and where the forces of mutual need and mutual aspiration bind that diversity into a nation. For that is what it must be if this country is to survive.

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, it is that much easier for me to approve this bill that it is the result of long but fruitful negotiations between all the governments of our country. The agreement having been signed by all the authorities concerned, it would be ungracious of me to oppose it, despite some reservations about some of its secondary stipulations. However, and this explains the bitterness with which the agreement was reached, Bill C-37 is a typical example of the way federal-provincial relations should not be approached.

Once again, Mr. Speaker, we saw the Minister of Finance of Canada patronize the provinces, launch the discussions with resounding statements, threaten to put an end unilaterally to the guaranteed income program for the poorest provinces, and denounce the implicit agreement reached with difficulty five years ago in that particularly sensitive area. The proposals of the minister met with justified anger. For the first time in our history, all the provincial governments opposed a common front to the claims of the central government that it could, as it saw fit, dispose of the incomes of the country and reshuffle the equalization system.

The attitude of the minister gave rise in all sectors, and particularly in Quebec, to deep seated resentment. It increased the skepticism of many Quebecers with regard to the possibility of living within a form of federalism in which the provinces would be considered more than mere pawns but as true partners in the confederation to which they gave birth. Almost a whole year was wasted in useless quarrels and exhausting palaver. Two meetings of the finance ministers ended in deadlock. Finally, the leaders of the governments themselves were called in. They had the wisdom to agree on a compromise, but not without Ottawa having had to back up almost on every point. Bitterness persisted among the participants. In Quebec, federalism lost some support that went to the independent movement. I shall not dwell, Mr. Speaker, on the provisions of the bill which, over-all, renew, with some alterations, the agreement signed five years ago and which expires at the end of March.

I note that in the area of equalization payments, the Minister of Finance has completely reversed his former position. He finally took the stand directly opposite to his proposals of last April. He wisely accepted to include in the new agreement a clause which, for each year of its duration, guarantees that provincial revenues will be maintained if the federal government were to modify its income tax scale. In the case of established programs, the minister has even innovated, which is quite fortunate and he deserves congratulations for that. The new agreement combines the traditional system of direct payment from the federal treasury with the transfer of fiscal points to the provincial administrations.

The new system should allow for greater flexibility in the administration of those programs, particularly in the case of hospital and medical insurance plans. It will suppress the rigidity of the old formula about which provinces had good reasons to complain. Mr. Speaker, this legislation, goes to the core of our federal system and constitutes a practical application of it. Since federalism transcends the mere question of income a sharing, I should like, with your leave, to indicate a few avenues that could help us overcome the crisis facing us and which might not have reached its peak yet.

• (1550)

With regard to the overconcentration of decisional powers and income sources in the hands of federal leaders—a concentration of which Bill C-37 does remain a glaring illustration—the official opposition advocates greater decentralization of the legislative and administrative systems through a federalism of consultation. Indeed, Mr. Speaker, this idea was put forward with firmness and clarity by the official opposition leader (Mr. Clark) in his speech in the House last Friday, and all members would find it quite profitable to read it again. For us, decentralizing powers is not a means to weakening Canada, but on the contrary a means to reinforcing the structures and enhancing its efficiency. In my opinion, this decentralization will allow every government level to co-operate effectively towards the enforcement of the national policy.

Indeed, it is not a matter of denying the federal government powers that are essential to the country's cohesion. We must admit that, in some key areas such as the economy, Ottawa should enjoy the legislative supremacy without which Canada would face chaos. This is not the moment nor the place to define those essential powers. This should be the matter of a constitutional conference which hopefully should not be delayed indefinitely. For the time being, I shall only regret that for this government, Ottawa too often meant Canada. As a result, it assumed powers and mandates that could have been exercised with as many if not more advantages by provincial governments in the best interest of the Canadian community.

The constitution of 1867 provided for the existence of these governments precisely because of the disparities in the culture, the resources and the traditions of the different parts of the country. If we had tried to stick more closely to the objectives established by the Fathers of Confederation in the past, we would not probably hear about associated states today because the provinces would take an effective part in the establishment and the implementation of general policies which have been mutually agreed upon. Mr. Speaker, I refer particularly to the field of taxation which happens to be the subject matter of the bill before us. If all specialists tend to agree that Canada is divided into five economic areas, with various needs and priorities, would it not be more logical to use the resources and the capacities of each of the provincial governments to counterbalance the deficiencies in federal policies in local situations?

Nobody will deny the federal government a right to legislate to standardize incomes and give equal opportunities throughout the country. But considering the failure of some of their policies, one can wonder whether we have not been led astray

too often and whether it is not the proper time to give the provinces a role which so far has been consistently denied by the federal government. For example, for how many years now, I do not know, we have been facing two problems—underemployment and inflation. Ottawa did take a lot of initiatives to cope with this, yet nobody could say that it has fully succeeded.

Would it not be better, Mr. Speaker, if the federal government, through fiscal and economic legislation, merely established a kind of common denominator from which a provincial policy, more attuned to local economic conditions, could be developed? Thus the provinces and consequently all Canada could stand a better chance of successfully tackling either inflation or underemployment, according to which is the more directly affecting them. However, to avoid the confusion which could result from ill-concerted initiatives, I think the Canadian confederation has to find new structures which could lead to this kind of federalism of consultation I was referring to.

I want to make it quite clear, Mr. Speaker, I am not in the least advocating breaking up our country as a prerequisite for renegotiating new conditions of association between its various components. During its hundred years of existence, the Canadian confederation has proven that it can meet the legitimate aspirations of each province and of each of its founding people. Therefore, the renegotiation of a new constitution must be conducted within the present framework of this country. As former premier Daniel Johnson said one day with humour, why divorce to go into a new partnership without knowing whether the other partner would still want to do so under the same conditions? Since in the spirit of 1867 Canada was also an economic union, can we not imagine, for instance, a national planning council whose role could be inspired by that of the European Economic Community Council.

● (1600)

This council could operate through commissions copied on the European model. It would remain then to define the type of representation for the various governments and the nature of the powers conferred on the new council. However, it would be desirable for a government to be represented by permanent delegates who would be commissioned to enter into contracts on behalf of their agents. Today, I shall simply launch this idea. It could allow us to find a durable solution to our present problems by assigning to each government level the role to which it is most suited.

I have talked about economic planning. There are other sectors where national commissions like the one I have just mentioned could advantageously replace the often sporadic meetings of ministerial conferences. Commissions could operate in other sectors, like agriculture, manpower, immigration, housing, regional development and so on. They would establish national priorities in each of those areas and would suggest them to the political authorities. I am not saying that discussions within the commissions would not sometimes be arduous and that all conflicts would be avoided, but I believe that such commissions would have a better chance of avoiding the tensions and crises which we have too often witnessed these last few years.

A truly national policy born of a consensus among all governments would, I believe, have a better chance of being accepted by the whole population because it would be more able to meet the objectives and priorities of each part of Canada. If we had such a council, we would probably have been able to offer better protection to several of our industries which are now threatened, and I am thinking about textiles, shoes, dairying and so on. We would have been less exposed to criticisms on the part of the areas whose interests were messed about or even sacrificed. We would probably have given our common development more coherence, more continuity, and we would have avoided many costly improvisations. At any rate, one thing seems sure: we would have better respected one of the objectives of the Fathers of Confederation, the economic union which led to the British North America Act. What the countries of the European Economic Community are now doing, their parallel economies, their various interests, and for some, the settling of their historical enmities, why should we, Canadians, who have been associated for more than a century in a country as big and as varied as a whole continent, why should we not be able to do?

But to do so, we must be firmly convinced of the need to separate decision-making centres and to modify consequently this constitution which no longer completely meets the needs of a modern Canada. Because it does not have a past full of mistakes, because it is the direct descendent of those who made this country, because it has always believed in a better distributed authority, the Progressive Conservative party is better placed than any other to preside at changes which are now needed urgently to save Canada from latent desintegration. Mr. Speaker, I know that following the verdict given November 15 last in Quebec, the right hon. Prime Minister (Mr. Trudeau) says that he is now ready to start again the dialogue interrupted in Victoria, to re-assess everything and to amend if need be the constitution in its entirety.

I would certainly believe in his conversion if in the same breath the head of the government did not declare publicly his skepticism about the chances of that kind of endeavour and if he stopped praising the merits of policies which no longer satisfy anyone and in which he alone believes. He would still have my confidence if he did not despise so much what he contemptuously calls the "constitutionality" and if he did not ignore the concerns of so many Canadians asking for a new constitution with more definite powers and responsibilities for each level of government. However I would not like Canadians to delude themselves and believe that minor economic or administrative reforms will neutralize all the pressures threatening the unity of our country. In Quebec, for instance, the concept of independence originated from other concerns. The Parti Québécois exists because, for a nation that has reached its full maturity, independence is a normal objective.

The exciting desire to live freely is not illegitimate as such. So it is by a continuous effort of reflexion and also a reflex of prudence but mostly a deep attachment for a country where

their ancestors were pioneers that the majority of Quebecers have until now—and I am convinced it is still the case—adhered to our federal system even if they wish some changes to it. Mr. Speaker, federalism facilitates their self achievement as an autonomous community without the hazards inherent in a largely illusive sovereignty.

However, federalism will be saved in our country only if the association of our two communities is based on the equality of the two cultures and the mutual acceptance of the two languages through which they are channeled. The future of our country could be threatened if, because of the fanaticism of some extremists, a majority of Quebecers were led to the conclusion that they are no longer wanted in Canada and that there is no room for the French culture in their own country. Mr. Speaker, they are already seriously hurt by all these irritating remarks against the presence of a few words of French on mere commercial labels. They are indignant because some circles bitterly resent the expansion of French radio and television networks throughout Canada or want to deny Francophones the right to use French in their air communications over Quebec territory.

I am perfectly aware of the fact that most Anglophones are foreign to these explosions of bigotry, just as most Quebecers do not share this hostility to the English language. However it is high time moderates speak out and remind those who might be tempted to forget it that the development of one culture does not require of necessity the destruction of the other. Yet, I do not see why, because they are a minority, French Canadians should be the only ones to bear the consequences, if any, of a national policy on bilingualism.

When a country such as Canada has the rare privilege of having as its official languages those of two of the greatest modern cultures, it must be proud to use that privilege and share it with all its national institutions. The federal government must not be the only one to have that concern. The provinces' role is just as vital if we are to reach the level of linguistic and cultural equality without which bilingualism will only be an irrelevant moto. Canada's future lies not only in the distribution of jurisdictions between the various levels of governments. It is also linked to the way we treat our minorities, both in Quebec and elsewhere.

The time has not come yet, Mr. Speaker, to launch the great referendum campaign in Quebec, but it seems we are getting nearer to it. For the time being let me remind Quebec's new leaders that on November 15, they received a mandate to prepare such a referendum, but not to go through with independence. Indeed Quebecers entrusted them with their votes mainly because in the meantime they made a commitment to behave as a loyal provincial government rather than a sovereign one. They should not renege on their word. But as far as I am concerned, I would like to conclude by saying that with or without a referendum, my choice is made and I am all for Canada!

Some hon. Members: Hear, hear!

[Mr. Wagner.]

Mr. Wagner: While a true Quebecer, I opted for Canada because at a time of federalism I have no wish to go counter-history wise. I choose to be a Canadian because I want to be true to my forbears' will, and Canada is the homeland they asked me to serve. I choose to be a Canadian because I will not be lured by the sirens of doubtful sovereignty whose benefits have not been proved. I choose to be a Canadian because I will not dive blindly into the unknown. I will not gamble my people's future at Russian roulette. I choose to be a Canadian because my fellow countrymen in other provinces need a Canadian Quebec.

Some hon. Members: Hear, hear!

Mr. Wagner: They need a Canadian Quebec to survive and conquer their place in the sun. I choose to be a Canadian because I refuse to bury myself in a morbid isolation in which Quebec would merely be the shadow of what it formerly was, in which its culture and economy would constantly be jeopardized. I choose to be a Canadian because I do not renounce, I do not renounce any part of my heritage, because I like every little bit of this country which my fathers have discovered and erected. I choose to be a Canadian because I want to feel at home in the quiet villages of the maritime provinces, in industrial cities of Ontario, in the wide western plains and in the magnificent mountains of the Pacific coast. But in turn I want to be accepted in this country as equal and I want my mother tongue to be recognized as a betterment of the Canadian heritage.

I choose to be a Canadian, because Canada, whatever can be said, is one of the great achievements of history, and I call to witness the many people who envy its power and prestige. I choose to be a Canadian because in Canada I find protection of my democratic freedoms and respect for the cultural values which I was entrusted with. I choose to be a Canadian because, after all, Mr. Speaker, the social stability, economic progress, cultural influence and even the international prestige of the province of Quebec are closely linked to Canada.

• (1610)

[*English*]

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I am pleased to have the opportunity to make a few comments on this bill. I am a little unhappy about following the great and illustrious speaker from Saint-Hyacinthe (Mr. Wagner), who just resumed his seat. However, I will do my best not to bore too many people. I am sure I will not be able to live up to his great performance. I have the responsibility to make a few comments in this debate because the fiscal arrangements act touches a significant number of federal-provincial fiscal arrangements which fall under the general subject of health. Being my party's health critic, I want to participate.

We had a very long debate on the subject of health less than a year ago, a debate dealing with Bill C-68 as it was known at that time. In my view, it was one of the first clear indications of the attitude of this government which created the difficulties this country has been experiencing over the past decade or

so, particularly the past couple of years. The difficulties to which I am referring are those which involve themselves with confederation; the fact that the country, under the stewardship of the present Liberal administration, seems to be falling apart at the seams. The largest single contributing factor to the difficult situation which confederation is in is the fact that we have a government which is suffering from the disease which leaders and governments have suffered from ever since the first time history was recorded. The Greeks like to refer to this disease as a hubris. The term is appropriate to apply to the Prime Minister (Mr. Trudeau), the Minister of Finance (Mr. Macdonald), the Minister of National Health and Welfare (Mr. Lalonde) and the key people who have been in charge of this government over the past few years.

Perhaps I should take some time to explain the condition. I am sure Your Honour will immediately recognize the similarity between the condition these men suffer and that originally described by the Greeks, if you care to refer to Greek history and the comments made at that time about the leaders of the day.

The condition to which I am referring involves a certain kind of pride. Everyone will agree that if an individual is to be successful in life he must have a certain amount of pride in himself and his ability to achieve. Through that kind of pride he has a certain amount of self-confidence which is required in order to propel an individual to strive for better things for his country, his family, himself, or whatever. In this case the particular pride has been destructive to leaders since time immemorial. It is a special kind of pride. It is an insolent pride, a pride of insolence and arrogance, a kind of pride which is really not justified. However, the keepers of it feel they are justified because they are appointed by divine right to rule and make decisions for everyone. This insolent pride is the reason we have a substantial strain between the federal government and virtually all of the provincial governments in this country. It is the reason for the loss of mutual trust and respect which is necessary between federal and provincial governments if confederation is to function in a meaningful way.

I am sure this mutual trust and respect existed when the party to which I am pleased to belong, the Conservative party, brought together a number of provinces to form confederation. If we review history ever since confederation we will not find that any other federal government has been as guilty of this insolent pride, and so destructive to confederation, as the present administration.

I mentioned Bill C-68 as the time when I, personally, became faced with this kind of pride in my dealings with the Minister of National Health and Welfare. It might be worth quoting some of the exchanges that took place between that minister and the members of the health committee who represented this party during the course of the deliberations on that subject. I wish to quote from the committee proceedings which took place about a year ago, No. 46:18. A questioner from this party asked in committee:

But before quoting, Mr. Chairman, I want to come back to a subject which I had touched on previously. My concern is for the effect of this on confederation and federal-provincial relations in general.

We were talking about Bill C-68 which was a unilateral, arbitrary imposition of a federal government decision upon the provinces without any kind of meaningful agreement with the provinces and without having had sufficient negotiations to come to an agreement. I continue the quotation:

● (1620)

Now we know that at a federal-provincial ministers' meeting of health ministers in early 1975, the federal government had made a commitment to the provinces, or at least had agreed to abandon the rigid plan for imposing arbitrary federal expenditure limits. The federal government at that time also agreed with the provinces to explore various alternatives for improving the cost effectiveness of health programs within the context perhaps of a more flexible interpretation of the existing federal-provincial agreements. My understanding is that a federal-provincial committee was set up of officials where studies were under way in order to determine methods of improving the health care delivery system at perhaps a lower cost. That committee was to meet to analyse results some time in July, but the minister of finance decided to announce in June, just two or three weeks before this meeting was to occur, exactly the kind of unilateral action which the minister had assured the provinces only a few months earlier would not take place. To my way of thinking, the country in which we live was built on a federal system. Confederation itself was built on the spirit of federal-provincial co-operation of such a kind as was necessary to keep the country together and to keep the citizens serviced with the best facilities possible under today's conditions.

We also know, for example, that during the administration of this government—and by that I mean since the advent of Prime Minister Trudeau—separatism in Quebec has grown perhaps by leaps and bounds. Alienation in the west has reached perhaps the highest peak since confederation or since the western provinces came in and the maritime provinces feel desperately neglected in many ways.

At this point, one of the Liberal members from New Brunswick shouted: "That is not true".

An hon. Member: Who was he?

Mr. Yewchuk: It was the hon. member for Madawaska-Victoria (Mr. Corbin). We are faced with legislation here with which virtually no province agrees. Every province has rejected it. Every province has indicated in no uncertain terms that it wants desperately to sit down with the minister of health in an effort to reach a mutually acceptable agreement with regard to changes in the health care delivery system. Yet the minister chooses to bulldoze his way ahead in spite of the fact that he has been before the committee on at least four or five occasions now, during all of which time he has failed to provide any reasonable explanation for choosing to take this route in the face of commitments to the provinces only a few months earlier that any changes which might be made would be arranged through mutually acceptable pathways of negotiation. The response of the minister to all that, and more, was this:

Mr. Chairman, several of the statements made by the hon. gentleman are so preposterous that I have difficulty in taking them seriously.

He went on to say that about 95 per cent of them were preposterous. He considered them to be so preposterous that he had difficulty in taking them seriously. Mr. Speaker, the statements which I made consisted largely of a summary of a number of letters sent to us by all the provincial ministers of

health. So, in effect, the minister was saying that everything that those provincial ministers had said was preposterous and was not worth replying to at all. Then he flipped his lid, lost his temper, as he usually does, and said:

To come to some of your points. I will not spend much time on separatism in Quebec. I suggest you look at scientific surveys which have been carried on in Quebec over the last ten years—and I am ready to compare my expertise on Quebec with yours—and you will find that the percentage of people in favour of separatism in Quebec has not grown in the last ten years.

That statement was made by the Minister of National Health and Welfare only a year ago. At that time he was the Quebec lieutenant. We all know he is now a corporal or a private, but at that time he was in charge of organization in Quebec. I called attention to those exchanges because they illustrate two things: first, the sanctimonious, arrogant pride these people on the other side have, and, second, their total misreading of the situation in Quebec as far as the seriousness of the separatist movement is concerned. We have heard no further statements from that minister on the subject. However, we know he has now been replaced by another minister as Quebec lieutenant or organizer.

We know that the government since 1963, and particularly since the coming to power of the present Prime Minister in 1967, has had all the power needed to govern this country effectively, to come to grips with the problems of the nation and to devise appropriate solutions for them so as to ensure that the provinces would stay together on the basis of the evident advantages of a united country. I am sorry to say that these "leaders"—I put that word in quotation marks—completely lost that opportunity to keep the country together. We saw a similar failure on the part of the Liberal administration which was in power in Quebec for such a long time. It had taken to the habit of saying to Canadians over the years, in effect, "We are the only people who are capable of keeping the country together", and it was blaming Canadians at large for the country's falling apart.

Almost every time he goes on television these days, the Prime Minister blames all Canadians for the problems facing the country. He tells them he is working, he is trying as hard as he can, but it is the fault of all those naughty Canadians who refuse to do the things he says they should do to keep the country together. There is a certain short-sightedness on his part in taking an attitude of that kind because hon. members know as well as he does, if he is as intelligent as hon. members think he is, that the difficulties surrounding confederation are a direct result of his own policies and his own approach to governing this country.

An hon. Member: He is an expert on the simplistic approach.

Mr. Yewchuk: Hon. members on the other side are very sensitive. They always become a little excited when somebody on this side tells the plain truth about how things stand. They cannot bear to hear the truth because they are not accustomed to living by it. I am not trying to pose as an expert on Quebec, but I can pose as an individual who knows as much about confederation from the western point of view as the hon. member from Quebec who has just interjected knows about the western point of view.

I hear the hon. member from New Brunswick also interjecting to say he does not agree with the comments I am making. The fact is, it is the leadership of the Prime Minister and the government which is in question. The ideas and policies they have been putting forward are not accepted by anyone any more. It is not a matter of English Canadians not accepting French Canadians; it is a matter of all Canadians not accepting this particular leader and this government any more. The reason is that their policies, instead of unifying this country, have divided it to an extent never known before.

• (1630)

Mr. Breau: That is your opinion.

Mr. Yewchuk: That is my opinion, and I believe it is the correct situation. I am saying to hon. gentlemen opposite who are getting so excited that they should stop blaming Canadians for the problems we have and start blaming themselves. After all, they are the ones who have been in power in this country for nearly 15 years—and look where the country is after 15 years of Liberal government!

Mr. Whelan: The country is doing very well.

Mr. Yewchuk: Certainly, the Minister of Agriculture (Mr. Whelan) is not the envy of the world. Let us consider, Mr. Speaker, why Canadians are angry. Canadians are not angry at each other. I do not believe that Anglo-Canadians are angry at Franco-Canadians or that Franco-Canadians are angry at Anglo-Canadians. I think all Canadians are simply angry at governments which have been dishonest, which have been totally incapable of comprehending their problems, let alone of solving them. We still see the same kind of attitude persisting. Let me give the House an example. Even the former illustrious minister of finance, Mr. Turner, left that bunch in disgust. But he contributed—

Mr. MacFarlane: You should let him speak for himself.

Mr. Yewchuk: I will certainly do that.

Mr. MacFarlane: I would not dare to.

Mr. Yewchuk: Even he contributed to the difficulty that we find in Canada with regard to relations between the people and their elected politicians. The government has a program having to do with indexing of income tax, and I remember that that particular minister, whom I have to say was fairly well respected on all sides of the House most of the time, and perhaps in all parts of the country, attacked my formed leader, the hon. member for Halifax (Mr. Stanfield), with great vigor in his own home town of Truro, Nova Scotia, which he visited to try to belittle the tax indexing proposals which my former leader made at the time. Indeed, he spent a good deal of time during the 1972 election campaign belittling my leader for having put those proposals forward, saying that they would bankrupt the country, that the country would fall apart under

that kind of tax system. Yet lo and behold, as soon as hon. gentlemen opposite came back with a minority, they proposed indexing.

Mr. Breau: Of personal exemptions.

Mr. Yewchuk: All of a sudden it was a good idea. You can look at it whichever way you want, but if you look at it honestly you will have to accept the fact that this was deviousness and dishonesty on the part of that minister of finance. I suggest there is no other way to look at it.

Let me give the House another example why Canadians are unhappy with government and with the situation that exists in this country. Let me go to the 1974 election. Our party proposed a program which was known as price and income controls. I am sure that every member on the other side who is sitting there smiling right now and getting a little excited went out on the hustings and spoke against that program. I can remember advertisements on the radio to the effect, "if the Conservatives win, they will freeze your wages; is that what you want?" That is what hon. members said, and they all admit it.

Mr. MacFarlane: That is what you said, too.

Mr. Yewchuk: We did not say that.

Mr. Roy (Laval): That was a long time ago when things were quite different.

Mr. Yewchuk: In proposing that program, Mr. Speaker, we put forward a positive and honest approach, knowing full well that there were dangers in it. But we consciously made the decision to be honest with the people and to tell them what the prescription was going to be. But the members on the other side who still govern, thought we were rather foolish for being honest with the people and they chose the other course. They chose to be the opposite of honest and they were re-elected.

Mr. MacFarlane: Surely you are not challenging our honesty.

Mr. Yewchuk: They came back with a majority and the very first thing they did was to bring in income and price controls. I do not know how they justify it, Mr. Speaker. I have heard the Prime Minister say, "Well, that is just smart politics", or something to that effect, and many of his friends have said the same thing. They sit and drink their beer and laugh about it. It is smart politics to them. They were dishonest with the rest of the people, but they are in government.

Mr. MacFarlane: Do not try to analyse the last election after so long.

Mr. Kempling: Anything to win!

Mr. Yewchuk: I hope the whip on the government side will take the opportunity to say a few words on the bill when I sit down. He seems to be so anxious to participate; so do many other members over there. But it is rather curious that none of them has made a speech on this bill today. They have all sat back in their usual sheep-like manner waiting for the bill to be rushed through. I hope they will save some of their interjections, Mr. Speaker, put them together in a speech and present them as soon as I sit down.

To get back to the question of price and income controls which hon. members opposite campaigned against, and won the election because they campaigned against them, the result of that has been a total—

Mr. Breau: Order. Get back to the bill.

Mr. Paproski: This is part of the bill. Let Charlie look after it, Breau.

Mr. Yewchuk: The result of that, Mr. Speaker, has been a total—

Mr. Roy (Laval): This was two years ago, and the results are there for all to see.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Athabasca (Mr. Yewchuk) has the floor for the purpose of making a speech.

Mr. Paproski: We saw the results of November 15.

Mr. Yewchuk: Mr. Speaker, you must have an inordinate amount of patience not to have thrown your show at hon. members by this time. I hope they will listen and learn, because I want to tell them that honesty in politics is a very essential ingredient if we are to preserve the democratic system. The fact is that the result of the flip-flops on the part of this government has indeed undermined the democratic system in this country. You see reports in the press every day, and hear people from all over saying that you cannot trust politicians, that "they are like a bunch of bananas—they hang around in a bunch, they are yellow and there is not a straight one among them." That is the kind of picture that the people of Canada have of their politicians today, and it is a direct result of the kind of dishonest dealing this government has participated in ever since it has been in power, simply out of a desire to propel itself into power, not at all caring what effect these tactics will have on confederation or on the democratic system itself.

Once again, Mr. Speaker, when the Prime Minister says to us that all we have to do, if we want Quebec to stay in, is to say to them, "I love you" it makes me want to laugh. As a matter of fact, it does a lot more than that; it makes me sick to hear him talk that way. I think it is high time he stopped fooling around with the people of Canada, came clean and tried to come to grips with the problems that face this country today.

Some hon. Members: Hear, hear!

Mr. Paproski: Now we are getting the truth.

Mr. Yewchuk: I have been in this place, Mr. Speaker, for nearly nine years. I grew up in a community where there were

people from many parts of the world who were all Canadians living together in harmony and peace. This harmony came as a result of the children of immigrants growing up together, going to school together, playing together, working together and living together. That, in my view, is the way Canada should be. But since we have had this government in office, all of that has gone. All of that harmony has been destroyed. As a matter of fact, I think there is more racism in this country today as a result of the policies which have been pursued by this government which has been pitting one group against another, one racial group against another in an attempt to divide and conquer. I think that kind of thing has to stop because the situation is too serious for governments to play with.

People in government in this country must forget about their own selfish aims, about keeping themselves in power forever. They must start thinking about what needs to be done to help Canadians understand each other better, to help Canadians to live together in peace and harmony in the way they did before the policies of this government shook them by the bootstraps. To me, Mr. Speaker, winning is not the primary objective, though this may sound a little foolish coming from a politician. However, I think it should be possible for political parties to win by honest means and to keep power by honest means. It is high time that the philosophy was stopped that it is more important to win by devious means than if by honest means you lost the election.

● (1640)

Why is there disunity in this country, and why have people become polarized? Let us go back to the Saskatchewan situation of a few years ago. I remember a very famous quotation of the Prime Minister. The Minister of Agriculture might be interested in this. The Prime Minister asked the farmers "Why should I sell your wheat?" I would like the Minister of Agriculture to explain to me the way he explains to farmers in Saskatchewan how that kind of statement creates unity. How does that kind of statement make the west feel that it is really part of Canada and that the government is really interested in doing more for the west and making the west feel welcome in this nation? I would like to hear an explanation of how, "Why should I sell your wheat", furthers unity in this country.

I represent an agricultural constituency, and in western Canada agriculture still happens to be one of the largest industries. We want to know why there is alienation in the west. When we are dealing with the subject of unity we should examine the policy started by a former minister of agriculture, Bud Olson. He was once the member of parliament for Medicine Hat. He decided that the way to solve Canada's agricultural problem was to take large numbers of farmers off the land and leave only a few who would then farm much larger units. Theoretically, that was supposed to be economically viable. We have seen the results of that policy. The agricultural industry in the west has been trampled by subsequent ministers of agriculture, totally ignored by the whole government, and it has come to the point where western agriculture is finding it difficult to survive. If we want unity, and if we want the western portion of this country to feel more strongly that it belongs to Canada, we must reverse the policy of the destruction of agriculture.

Mr. Whelan: Be honest about it.

Mr. Yewchuk: The minister is objecting because he thinks I am not being honest. I would like him to tell me why he has not done something about the beef situation in the west. Beef producers are finding it virtually impossible to carry on, but at the same time we are importing millions of tons of foreign beef. Our own producers are being squeezed out of business because they cannot make a profit. This minister sits by and says, "Let's bring all that beef in to make the consumers in the city happy."

Mr. Whelan: That is not true, either, and you know it.

Mr. Yewchuk: If the minister has any sense of fairness, he would do something about that. What representations has he made with regard to the GATT talks which are going on now in so far as the importation of beef into Canada is concerned? He has already told us that he has made no representations about the importation of dairy products, and the dairy industry is also in serious trouble. The minister said that today during question period.

Mr. Whelan: I did not say that in the House.

Mr. Yewchuk: I suggest the minister read *Hansard* if he cannot remember what he said. All these things give us some idea as to why there is not very much unity in this nation. Let us come back to Ottawa. Hon. members will recall that a few years ago some demonstrators came here from the province of Quebec. They were unhappy with the way the federal government was treating them. As they were demonstrating, the Prime Minister happened to drive by in his car. He opened the window and uttered some famous words which I will not repeat because I do not think they should be repeated in this place. However, the words certainly were not "eat cake". I would like the Minister of Agriculture, who was just interjecting, to tell me how—

Mr. MacFarlane: Oh, oh!

Mr. Yewchuk: —or the government whip to tell me how it furthers unity when the Prime Minister sticks his head out of a car window and shouts words like that to a group of protesters. How does that strengthen the desire of the people of that province who want to belong to this nation?

There are many other things I could go on about, but it is obvious that these fellows are just not interested in listening. They have their own views, and even though their own views have been a total failure for the past ten years they still have them. They refuse to examine the situation and admit that they might have been doing something wrong, that there might have been some misinterpretation as to what is holding this country together, and as to what we must do to hold the country together. We have not heard any of them voice the opinion that a re-examination on their policies is necessary.

Let me refer, again, to the west and to the oil and gas export tax which was suddenly imposed on the producing provinces without consultation, virtually wiping out millions of dollars of revenue upon which the provinces were counting. That was imposed by the federal government without consultation. The provinces were simply informed by way of a press release, a television speech or something of that nature. That is not the way to keep provinces trusting the federal government. The federal government should not make sudden decisions of that kind and inform the provinces by way of press releases. Rather, it should at least have the decency to make a telephone call. We have a very serious problem in this country and until we reverse that kind of approach to federal-provincial relations we will continue to have serious problems.

Let us consider the totally unrelated subject of scientific research. We want to know why there is unhappiness among the people of this country, why the people are unhappy with the government, why they do not seem to trust their politicians any more, and why they are looking for radical changes. Anyone who has any concern about the development and progress of this nation will admit that scientific research is a very fundamental part of the development of any nation. But what have we seen under this government? We have seen a continuing erosion of research. Researchers have been driven out of the country.

Mr. Maine: Have you looked at the estimates?

Mr. Yewchuk: Yes, I have looked at the estimates.

Mr. Maine: They are up.

Mr. Yewchuk: They have been increased less than the increase in inflation in the scientific field. If the hon. member disagrees, he can speak when I sit down and can give the facts as he sees them. In any case, we have a situation where the scientific community has been totally undermined and it is totally disgusted with and discouraged by the policies this government is following. They are Canadians, too, from all parts of the country. They are involved in teaching our students in universities and in many other institutions, and they are totally disgusted with the political process because it pays little attention to real needs but much attention to political gains.

Let us consider our national defence forces. There is a huge military base in my constituency.

Mr. Paproski: The one in mine is leaving.

Mr. Yewchuk: The one in the constituency of the hon. member for Edmonton Centre (Mr. Paproski) is being dismantled.

Mr. Paproski: They are taking our Francophone unit.

Mr. Yewchuk: Let us consider what has been happening to the funding of the defence forces of this nation. It is easy to see that it has been continuously underfunded, undermined and underequipped. Bases are being closed everywhere and some are being moved unnecessarily—all things which appear to be totally ridiculous and unfounded.

Mr. Goyer: This is untrue.

Mr. Paproski: You don't know whether you are coming or going.

Mr. Goyer: There is a 12 per cent increase this year.

Mr. Yewchuk: These are things this government is doing, and the government tells Canadians that it is their fault that there is no unity in this country. I suggest, once again, that this government, including the Minister of Supply and Services (Mr. Goyer), re-examine these policies seriously rather than simply take the reactionary approach the minister is taking now which assumes that anything the opposition says is totally inaccurate.

Mr. Goyer: You are not reading the documents.

Mr. Yewchuk: It is high time everyone in the cabinet took a look at what is happening in this country.

Mr. Paproski: How much are agents getting this year?

• (1650)

Mr. Yewchuk: I think that we can also have a look at aboriginal rights. We will find that those rights have been ignored for a decade since this government has been in power. This has just been put off forever. You might ask, "Why do the native people express displeasure with this government? Why are they unhappy? Why is there disunity?" All you have to do to find the answer is to look at the record.

What upsets me most is that there are about one million Canadians in this country without work. Regardless of the statistics the Minister of Finance or the Minister of Manpower and Immigration (Mr. Cullen) might choose to quote, whether they wish to say there are 750,000 unemployed, or one million, both those numbers are very high. The government tells people that all they have to do to solve their problem is to say to Quebec, "I love you" and suddenly everyone will be happy. If they did that I am sure the response would be a very unpleasant one.

The Conservative party brought this country together over 100 years ago. This is the party which brought about the marriage, so to speak, between the Anglos and the Francos. Those are the words the Prime Minister himself has coined. I do not like them, but that is what he likes to use. So the Anglos and the Francos were married at that time. We kept the country together for 100 years or more. Now the marriage is falling apart. The Prime Minister's vision of the marriage is that Quebec has become like a petulant wife who simply wants her husband to tell her that he loves her. I suppose he envisages Quebec as a petulant wife because he is a petulant man himself and sees others in his own image.

We have a new premier in Quebec. I do not want to attack him unjustly because he has only started in his job, but I have to say that I do not like what I see so far. He seems to be

saying, "Here is the wife"—Quebec being the wife and the rest of Canada being the husband, I suppose. Perhaps it should be the other way around. He seems to be saying that the wife has decided she wants a divorce but she would be willing to cohabit so long as the husband pays her enough. That seems to be the approach of the new premier of Quebec. I must say that the Prime Minister, and the former and the present Premier of Quebec, all three gentlemen, are totally wrong in their impression of the country and what it is.

I think the philosophy which these two gentlemen have adopted, namely, to do anything that is necessary to further their political goals, should be cast aside. The time has come when all Canadians—but particularly governments because they are the ones in power—must make up their mind to take all necessary steps to cure the ills to which I have referred and a whole lot of others to which I have not referred. When all these ills are dealt with, I am sure that confederation will be further ahead than it appears to be at present. It seems that the stage is set for the party which brought this country together to come back and reaffirm the marriage which took place 110 years ago. I am very pleased to say that we are ready, willing and able to do it—and the sooner the better.

PROCEEDING ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Public Service—Freezing of pensions of members of armed forces and mounted police until age 60—Denial of pensions to certain widows—Request for report; the hon. member for Halifax-East Hants (Mr. McCleave)—Transport—Possibility of continued assistance to flour shipments through Atlantic port; the hon. member for Okanagan-Kootenay (Mr. Johnston)—Manpower—Canada Works Program—Suggested creation of special fund for recycling operation.

Mr. MacDonald (Egmont): Mr. Speaker, may I call it five o'clock? I will be speaking in private members' hour.

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

[Mr. Yewchuk.]

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Turner): Notice of motion No. 4, in the name of the hon. member for Ottawa-Vanier (Mr. Gauthier).

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): The motion stands at the request of the government. Notice of motion No. 7, in the name of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall).

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): The motion stands at the request of the government.

* * *

BRITISH NORTH AMERICA ACT

AMENDMENTS TO INCLUDE PROVISIONS ADOPTED BY CANADIAN CONSTITUTIONAL CHARTER CONFERENCE

Mr. David MacDonald (Egmont) moved:

That, in the opinion of this House, the government should consider the advisability of making a proposal to the Parliament of the United Kingdom to amend the British North America Act to include the following provisions as adopted unanimously at the Canadian Constitutional Charter Conference held at Victoria in June 1971:

"The parliament and government of Canada and the legislatures and governments of the provinces are committed to:

(1) the promotion of equality of opportunity and well being for all individuals in Canada;

(2) the assurance, as nearly as possible, that essential public services of reasonable quality are available to all individuals in Canada; and

(3) the promotion of economic development to reduce disparities in the social and economic opportunities for all individuals in Canada wherever they may live."; and

That the Parliament of the United Kingdom amend the act only where it has received a formal request from the legislatures and governments of the provinces to amend the act in the same manner.

He said: Mr. Speaker, I suppose it is obvious that because of my background I am a fairly strong believer in the concept of providence. There is something providential in the fact that we are debating this notice of motion on the day on which we are having a general debate of fiscal arrangements, because there is certainly the closest possible relationship between the bill presented by the Minister of Finance (Mr. Macdonald) and the motion I have on the order paper today. This motion asks the government of Canada to submit to parliament a proposal for amending the BNA Act, our constitution. It would add to the BNA Act a statement of purpose or commitment to which the federal and the ten provincial governments would subscribe. This purpose, simply stated, would be the elimination of disparities and the promotion of equality of opportunity for all Canadians regardless of where they live. This motion asks also that in addressing the British parliament for the proposed

amendment no action be taken until the ten provinces have signalled their approval through like addresses.

Although the amending formula in this motion does not necessarily reflect either my personal or my party's position on an appropriate formula, unanimity among the 11 governments would be the most desirable and effective approach here. It would symbolize the breadth of our commitment as a nation to equality of opportunity and at the same time offer a basic point of common agreement from which to renew our constitutional dialogue.

On the issue of disparities there are two essential reasons for this motion today. First, and most obvious, is the widespread disparity of opportunity among Canadians. I believe these disparities are undeniable by any measure. They are to be found in living standards, income, employment, educational level, available social services, security, one's hope for the future and one's sense of purposefulness or meaningfulness within the Canadian confederation. As Joey Smallwood described the situation during the 1969 constitutional conference:

Some youngster is going to be born tonight somewhere east of that north-south line in Quebec or in the four Atlantic provinces, of whom you may say that a court has condemned that Canadian baby to an inferior existence—food not so good, home not so good, schools not so good, hospitals not so good, roads not so good . . . that child is condemned, as though a court had done it, to an existence inferior to the Canadian average.

What these disparities come down to, in very human terms, is that certain individuals, certain communities, certain regions are denied the opportunity open to their fellow Canadians to fulfil their dreams and aspirations whether as individuals or collectively. What hurts the most in admitting the range and depth of disparity across Canada is that so much of the solution lies within our power. The question is not whether we can eliminate disparity but, rather, whether we are committed and concerned enough as a nation to do anything about it. The Prime Minister (Mr. Trudeau) thinks we should be, noting in 1968 as follows:

● (1700)

If the underdevelopment of the Atlantic provinces is not corrected, then the unity of the country is almost as surely destroyed as it would be by the French-English confrontation.

Again, as recently as this month in his reference to inserting collective rights in a new constitution, he said:

[*Translation*]

"The right which people have to live in the part of Canada they like best and where they were born . . . without being penalized by not having access to equal opportunities."

[*English*]

Certainly no less a commitment was given by the Leader of the Opposition (Mr. Clark) in Charlottetown last year when he said:

—regional disparity is an issue on the fringes of government policy-making instead of being a preoccupation at the centre of government policy-making when it should be and where it will be in a Progressive Conservative government.

Former prime minister Pearson stated at the 1968 conference that he regarded—

—the problem of raising economic levels in the Atlantic provinces as a principal aspect of the total problem of maintaining unity.

Or, as Premier Robichaud phrased it in 1968:

Canada's human cultural objectives may fail because they are not rooted in socioeconomic substance.

Past federal governments have also agreed and acted to reduce disparity. As far back as 1927 we had the first national pension scheme: in the 1930s, R. B. Bennett's reforms during the depression; later, the green book proposals and accompanying social legislation after World War II; then, of course, the first organized attempts to deal with disparity as a regional phenomenon under the Diefenbaker government through programs such as the Atlantic Development Board, ARDA, the adjustment grants, and so on; and in the late 1960s there was the creation and substantial funding of the Department of Regional Economic Expansion which attempted to co-ordinate programming and general policy-making for the federal government. In fact, apart from national unity it would be difficult to find a single theme upon which all administrations of all political stripes have been in such close accord, namely, that the disparity of opportunity between Canadians must be lessened and, if possible, eradicated. Yet disparity persists—even widening by some indicators.

Where we have been somewhat successful is in improving material living standards on an individual basis. But there has been almost no progress in helping those individuals, communities and regions to break the cycle of dependency to attain a position where their future is in their hands, coupled with the economic means to realize their potential. Providing to all a guaranteed standard of living has become increasingly the role of the federal government. Enabling them to do it for themselves has not.

The task is far vaster than can be undertaken by any government alone, with its limited resources, multitude of conflicting claims and pressures from vested interests. The task requires a mobilization and direction of our will and material resources on a scale not seen since the national policy of Sir John A. Macdonald. We need, in fact, a "new national policy" if we realistically expect to overcome disparity of opportunity among the individuals, communities and regions of Canada; one in which the federal government may provide leadership but which demands no less the same commitment from provincial governments and the private sector alike.

The task is truly immense. We must, for example, overcome the biases in our economic structure which deny to certain regions the opportunities afforded to others. We must overcome the biases in our culture which create the belief in countless Canadians that their way of life and goals are second-class compared to those of their fellow citizens. We must find and implement ways of convincing those with a material or psychological stake in the status quo that the national interest demands its restructuring. We must find ways of encouraging and involving the private sector in giving our disadvantaged areas the same opportunities for productivity as in the more fortunate regions. We must encourage individuals, especially in the poorer regions, to restore their faith in our

economy and institution by proving that it can work to fulfil their needs and aspirations, and not just those of some other group or region. This task we face is of direct relevance to the constitutional process, because when a nation faces a challenge of such proportions as to overshadow any other before it, then that task requires a focus or a clear and unequivocal statement of purpose unlike any other. That focus, I believe, is our constitutions.

The second equally compelling reason for adopting the motion at this time lies in the current state of the constitutional review process. Patriation and an amending formula may be on the horizon, but without detracting from the powerful symbolic import of these events, they will not alleviate the backlog of dissatisfaction over inappropriate divisions of power, murky areas of responsibility, insufficient guarantees of individual and collective rights, etc. Although the Prime Minister appears to have discovered a renewed interest in the process of bringing our constitutional arrangements in line with modern realities, it is difficult not to conclude that little apparent progress has resulted.

The common ground on which to base the process of dialogue has not yet been found. Further, a basic agreement on the nature of that process will not be reached so long as the 11 governments involved have no shared perception of what they want out of the constitutional process. There is even a certain sense of futility to discussion about the "hows" of constitutional arrangements—division of powers, and so forth—without first achieving some consensus of the "whys": Why Canada? Why government? Why a federal system?

Only when there exists reasonable consensus on what this nation is about, and what the basic purpose of our governments should be, should we proceed to work out the mechanical arrangements of which level can best do which tasks. It is noteworthy that the British North America Act itself offers no sense of purpose about the nation it brought into being. "Peace, order and good government" is as close as it comes to defining such a purpose—but to what end? It is silent on that critical question.

Our present constitution reads like a contract for "business as usual", albeit under a different roof. It is totally preoccupied, apart from settling certain debts and liabilities with the form and practice of our government institutions—not with shedding light on the nature of their "business". We can only assume that the structures created by the BNA Act reflected the goals of a self-assured class which is a ridiculous perspective in a modern-day constitution. We are too pluralistic and, what is more important still, too conscious of that pluralism to permit the luxury of unquestioned assumptions about our nationhood.

I would not underestimate the difficulty of finding agreement on our objectives as a nation. There is a pressing need for at least one common point of agreement, shared by all 11 governments, if the process is to succeed. I submit that the commitment to equality of opportunity, to the eradication of disparity, is such a common point of agreement.

[Mr. MacDonald (Egmont).]

The substantive wording of this motion has, in fact, already been agreed to unanimously by the 11 participants at the Victoria constitutional conference in 1971. It represents a statement of purpose for confederation with universal acceptance by each federal and provincial participant in the constitutional dialogue, which meshes well both with our values and with the historical concerns of our federal government. To give a sampling of the breadth of agreement on this national purpose, I quote from presentations made by participants at the constitutional conferences of 1968 through 1970. The then premier of British Columbia, W. A. C. Bennett, said in 1969:

> We hold it to be the right of Canadians in every region to have a standard of living equal to the national average.

The premier of Alberta, Harry Strom, said in the same year:

> Our view is that we could and should find much more far reaching solutions to the question of inequality in the distribution of wealth in Canada.

The premier of Ontario, in 1969, John Robarts, said:

> There is a national need to rectify economic disparity . . . There must be some meaning to being a Canadian regardless of where you live, regardless of the economic circumstances of the particular area in which you live.

In Quebec, in 1968, premier Jean-Jacques Bertrand said:

> Economic disparity between the country's various regions is one of the two critical Canadian problems of the day.

It is true today, if not more so, than at the time he uttered those words. Later, in 1970, former Premier Bourassa said:

● (1710)

> It is clear—that this question—

Meaning economic disparity

> —should be given special mention in the text of the country's constitution.

Premier Smith of Nova Scotia said, in 1969:

> It is of fundamental importance that the constitution provide for balanced regional economic development.

Premier Smallwood of Newfoundland said, in 1968:

> The constitution should give recognition to the existence of serious regional disparities throughout Canada . . . and shall declare the need to eliminate such disparities.

The report of the June, 1969, working session spoke of "placing a moral obligation upon governments to take measures to combat regional disparities", and, significantly, the report went on to note that "no arguments were raised against this kind of obligation." Finally, the conclusion from the third meeting of December, 1969, was:

> The conference reiterated the earlier agreement that the objective of reducing disparities across the country should be written into the preamble of a revised constitution as a basic goal of the Canadian people.

I suggest that what we have before us represents a clear, unequivocal agreement on a most basic purpose of government and of confederation. It is an opportunity for leadership that we in parliament should not let slip; that is, to give expression to such rare constitutional consensus among our 11 governments and at the same time to initiate the most significant attack on disparity ever undertaken by this nation. Some would argue that this type of amendment should not be introduced alone; that either it should be part of a comprehen-

sive revision or, at least, be included as part of a constitutional bill of rights. I do not agree. The disparities in this nation continue to erode our nation at a time in our history when we can least afford it.

I can appreciate the Prime Minister's reference to the "collective rights" of those burdened by unequal opportunity. But these are not rights in the traditional sense; they are rights which demand substantive government action and intervention. They should stand on their own, separate from a bill of individual rights, and they require immediate implementation. Finally, there may be some feeling that embodying such a basic purpose of confederation within the constitution means nothing except yet another symbolic frill. That would be a serious misreading of the power of symbols in a nation such as ours. I leave the last word on this subject to the only surviving father of confederation, Joey Smallwood, who observed at the 1960 conference:

> Even if clauses relating to regional disparity were not legally enforceable, that does not prevent them from becoming potent political forces, if need be, at some future time.

I firmly believe such action now would be a significant and positive step in strengthening our commitment to the ultimate value and worth of Canadian confederation. I hope that hon. members on all sides of the House will see fit to give approval to what I hope will be an important contribution to the further building of our Canadian confederation.

Mr. Cliff McIsaac (Battleford-Kindersley): Mr. Speaker, the motion which the hon. member for Egmont (Mr. MacDonald) has brought forward for discussion this afternoon gives all of us an opportunity to discuss two important subjects—the constitution itself and regional disparities in this country. On both subjects, particularly the latter, my hon. friend opposite has devoted much time, effort and energy both in the forum of the House of Commons and elsewhere. I wish to make some observations on the motion now before the House although, I regret to say, without the benefit of enough time to do as much research on this particular motion as I should have liked. I begin by considering the wording of the motion itself which has as its basis either article 46 or 47 of the Victoria conference, to which the hon. member referred. The first paragraph of the hon. member's motion reads:

> That, in the opinion of this House, the government should consider the advisability of making a proposal to the Parliament of the United Kingdom to amend the British North America Act to include the following provisions as adopted unanimously at the Canadian Constitutional Charter Conference held at Victoria in June, 1971.

I question the words "adopted unanimously". I take exception to them and take exception to that idea as embodied in the context of the motion. The Victoria conference itself may well have agreed unanimously on the substance which forms the basis of the hon. member's motion. Certainly, I am sure that no political leader, federal or provincial, or adviser would disagree with the hon. member's idealism or his "motherhood" position, if I may use that phrase. When I refer to the issue as being one of idealism or motherhood, I do not intend to underrate it, for any politician in his right mind would adopt the hon. member's general position. Nevertheless, taken by itself, the Victoria conference as a conference was a failure and the unanimity to which the motion refers was not achieved. The government of Saskatchewan did not agree to the proposed general amending formula which it is suggested resulted from the work of that particular conference.

Saskatchewan's representative at the conference was the then attorney general, Hon. D. V. Heald. The conference took place about ten days before the general election in Saskatchewan, the election which resulted in a change of government in the province. The election resulted in the Liberal government, of which Mr. Heald had been a member, going down to defeat to be replaced about ten days later by the government of Allan Blakeney. He is still the premier.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. McIsaac: I suppose there was a sort of unanimity of consensus, as the Prime Minister (Mr. Trudeau) himself acknowledged in a letter to do with the achievements of the Victoria conference dated October, 1971, of which I shall quote one paragraph:

> The charter was subsequently approved by the government of Canada and the governments of eight provinces. The government of the province of Quebec, however, did not give its approval to the document. The government of Saskatchewan changed pursuant to the election of June 23, 1971, and thus far the present government has not taken a position on the charter.

I will not read the concluding paragraph of the Prime Minister's letter of October, 1971. Although I have not inquired recently of the provincial government of Saskatchewan, I believe the statement the Prime Minister made in his October, 1971, letter holds true today. The government of Saskatchewan did not, and does not, formally approve developments which supposedly resulted from that Victoria conference. Indeed, may I draw to the attention of hon. members the position of the then attorney general of Saskatchewan. The question of constitutional reform and the Victoria conference was dealt with in the legislature of Saskatchewan. If I recall correctly, the present premier was then the chief opposition spokesman. If I may I quote briefly from hon. D. V. Heald's presentation to that conference, he said in part:

> We come to the conference in a spirit of co-operation and good will, knowing that all other participants approach the meeting with the same spirit. We believe the objectives of confederation and a new constitutional document can be achieved. We hope that our deliberations here in the next few days may contribute to the strengthening of confederation.
>
> Concerning the amending formula, our government has always taken the position that no one province should have the right to veto constitutional changes. We now understand that several provinces are not prepared to consent to an amending formula which does not provide for those provinces having a veto. We still feel that other less rigid provisions should be considered. However, in a spirit of co-operation and with the hope of achieving a consensus we are prepared to accept the amending formula which we believe was agreed on in February.

Generally speaking, I understand that eventually there was no consensus on the part of the western provinces on their role in approving or disapproving amendments. I continue quoting:

● (1720)

We would repeat this is a compromise. We are not too happy about it and we hope our willingness to compromise here will be reciprocated by other delegations when we advance proposals that are very important to us.

We repeat the position taken by Premier Thatcher at the earlier conferences that there are problems facing our people which have, in our judgment, a far-higher priority than constitutional reform. We will be bringing these problems to the attention of the conference, as we have in the past, and ask for sympathetic understanding and co-operation from the other delegations.

I will not go on to discuss the points raised about transportation policy and regional disparities, the very theme and essence, except considerably broader than that advanced today by the hon. member for Egmont. On that general point, I am sure that if the former premier of Saskatchewan, the late Ross Thatcher, were alive today he would think differently about the position in terms of priorities on the question of patriating our constitution and the revised amending formula and, indeed, a revised constitution. However, that is perhaps neither here nor there with respect to the debate this afternoon.

I suggest we would be confusing and perhaps muddying the waters if we approved this resolution to which its theme and object I certainly subscribe. I do not quarrel with the hon. member's objective. However, to move in this regard alone at this point in time would be a mistake. By the same token, I have no great suggestion as to where and how we should move in that sense. We need to come up with better answers and better approaches. We should move quickly to get our constitution here, finding an amending formula, revising and updating the document so that we can get on with the job of building tomorrow. It certainly concerns all of us.

In his opening remarks, the hon. member referred to the current debate on the fiscal arrangements act. It touches upon the constitution. We have had numerous effective changes and adaptations over the years by virtue of federal-provincial agreements. I am not now speaking of those conferences called to discuss or consider the constitution as such but, rather, the many, almost ongoing airlifts between this capital and the various provincial capitals respecting and affecting government departments and agencies. The results of the various agreements worked out there have a very direct effect on how the country operates. They have resulted in effective changes. We have had enough of that approach. As far as I am concerned, we have had more than enough to effectively modify or change the constitution of this country.

I disagree with the hon. member's remark that we should not reject this motion. We should think of broader things. We should be expanding the hon. member's resolution and getting on with the job of developing the kind of constitution this country needs, aimed at the theme put forward in the hon. member's resolution. Let us join the Prime Minister and the government in this regard. It is only by such a debate and joint endeavour that we can systematically deal with not only the concerns of the hon. member for Egmont but other concerns on vital issues which are at the forefront at this time.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I congratulate the hon. member for Egmont (Mr. MacDonald) on bringing forward this resolution. We have all too little discussion in this House on constitutional matters. That is unfortunate. Although it is rather out of fashion to talk about constitutions, the plain truth is that constitutions are the fundamental law which provide the framework within which all of our laws are made and our government is conducted. We have neglected the responsibilities of parliament in this field. Therefore, the hon. member for Egmont has done a good thing in bringing this matter before us.

I have one complaint about one small aspect of this resolution. I could not disagree with the main purport and I do not think very many members of the House could disagree. The hon. member has taken from the provisions of the Victoria charter which were agreed to—either unanimously or, at any rate, substantially—statements to which the federal parliament, the government of Canada and the governments of the provinces are committed. The first reads:

—the promotion of equality of opportunity and well-being for all individuals in Canada—

We should be committed to that. My worry is not whether we state it in general terms often or not, but whether we do the practical things which bring about that equality. The second paragraph reads:

—the assurance, as nearly as possible, that essential public services of reasonable quality are available to all individuals in Canada—

That is something that we ought to be committed to as well. I am glad to reassert that. The last paragraph is somewhat similar; it reads:

—the promotion of economic development to reduce disparities in the social and economic opportunities for all individuals in Canada wherever they may live—

Those three general statements seem to be quite unexceptional. We should try to spend—perhaps it cannot be done in one resolution—a little more time working out and talking about how we are going to make these commitments into real things. For example, all these forms of equality require equalization payments flowing through the federal parliament from the richer parts of the country to those that do not have the equivalent tax power to provide public services of reasonable quality. Without equalization, that will never be done.

I sympathize with and entirely agree with those dealing with our present problems, such as the unity of Canada, who say that we must be flexible in dealing with those problems. That is fair and reasonable. I hope that in approaching the problems of Canada, particularly the problems of federal-provincial relations, we will be flexible.

I want to issue a word of warning. If we are too flexible, allowing ourselves to deprive the federal government of the effective spending part, the effective fiscal arrangements and effective powers to carry out this task of equalization, we will destroy this country. There are many different ways of doing this but we have to be careful that we do not so deprive our central institution, the federal government, of the power which will enable it to do the very things which are talked about here—to promote equality of opportunity, and so on. We have to preserve the power to deal with these things if we are to

carry out the programs to which parliament and the provincial governments have agreed in this field.

● (1730)

I would not object at all to greater delegation, either formally or otherwise, of the administrative powers of government to the provincial legislatures but such delegations and such revisions to our constitution should not be carried out at the expense of creating an ineffective federal government at the centre. We cannot preserve our country on that basis.

The same is true, in my judgment, with regard to economic development, efforts to reduce provincial disparity, and so on. It was proposed not only in the Victoria Charter but also by the Joint Committee on the Constitution, of which the hon. member for Windsor-Walkerville (Mr. MacGuigan) was the chairman, that these objectives should be included in a preamble to the constitution. This was the view of the joint committee, a very representative committee composed of senators and members of the House of Commons and which listened to people from all over Canada. They said—and this is not inconsistent with what the hon. member has proposed—that a preamble ought to be provided in the constitution to include these and other items which are basic to the future of our country, and I suggest it might be done in that way.

I said there was one part of the resolution of which I cannot approve. It is the last paragraph. I am not sure whether I have misunderstood the hon. member for Egmont, but what the words seemed to say is that the parliament in the United Kingdom should amend the act only when it has received a formal request from the legislatures and governments of the provinces to amend the act. It may well be that the hon. member was thinking only of these particular changes, but this touches on a very definite subject, and that is the whole question of the formulas of amendment and, indeed, the other question of repatriation of the constitution.

I do not believe there are many hon. members who are not of the opinion that we should have our constitution made into a totally Canadian document. This would involve not only patriation but many changes in the terms and expressions contained in the document.

In the joint committee report on the Constitution of Canada to which I have just referred, it is well pointed out, in my view, that a constitution ought to be an inspiration and a mirror for the community as well as an instrument calling for the distribution of powers and that, of these two ends, it is the inspirational role which is the more important. That is very true.

We do need, as the report recommends, a new constitution, though getting a new constitution means following a long, rocky road. What the hon. member proposes is fine, but in the last paragraph he seems to be harking back to the formula known as the Fulton-Favreau formula originally proposed by Mr. Fulton, a former minister of justice, and later revived by Guy Favreau, when he in turn became minister of justice. We, as well as the government of Saskatchewan, most strenuously objected to that formula, the reason being that it created an element of rigidity. It gave a veto to every single province, the power to veto and—I use this word hesitantly when we are talking about such august bodies—even to blackmail the federal government and the other provinces. The wording of the last paragraph seems to me to revive that proposition. The paragraph does not actually refer to the parliament of Canada at all. It does, however, refer to a formal request from the legislature and governments of the provinces, all of them, presumably.

One of the things the Victoria Charter was able to accomplish, and I think it was a great advance, was to provide for an amending formula which got away from the straitjacket by providing that the majority of the provinces, consisting of a certain combination of provinces, was sufficient to approve changes in the constitution. Of course the approval of the federal parliament was also necessary. I do not suppose the hon. member will have another opportunity to return to this subject, but I hope that if he does he will be able to explain this paragraph to my satisfaction. I do not believe it is central to the main thrust of his resolution and, for that reason, I intend to support the resolution, though with the quite serious reservation I have expressed as to the last paragraph.

[*Translation*]

Mr. Pierre Bussières (Portneuf): Mr. Speaker, as previous members have done, I would like first of all to congratulate the hon. member for Egmont (Mr. MacDonald) for giving us the opportunity to discuss the constitution and another extremely interesting problem, namely economic and regional disparities.

I am also interested in another aspect of this resolution: what is called the Victoria charter. This subject is important because it is an historical event in the life of our country. I am convinced that if an agreement had been reached at the constitutional conference of Victoria, the pressures we are now experiencing would have been greatly reduced.

What amazes me is that the hon. member for Egmont retained only one aspect of it—article 7 of the Victoria charter. He emphasized this afternoon the importance he attached to it, due to the consensus obtained on that article by the representatives of various governments. However, I think other articles of this charter are extremely important and that some kind of agreement has been reached by those who took part in this conference. For instance, article 1 which deals with political rights, would bring within a constitutional instrument all the basic rights of the Canadian people. I feel it is important that these be included in the constitution.

Article 2 dealing with linguistic rights, and while I think it is of utmost importance to make sure that all individuals and all areas in Canada have equality of opportunity on the economic level, I feel it is also very important to recognize the equality of opportunity for all, no matter the language spoken. And I can say, Mr. Speaker, that there are still some Francophones in my province who feel they are not getting the same opportunities—and I am not talking here about air traffic controllers or air pilots. I feel therefore that this second article was also very important.

The fourth article which deals with the Supreme Court of Canada was also very important. It brought about a new flexibility to the operation of the Supreme Court, from the appointment of judges to the establishment of a college which included the attorney general, and so on and so forth.

The chapter on federal courts was also very interesting, and so was article 9 which dealt with constitutional amendments. I must confess, Mr. Speaker, that I should have been very proud at the time if the Quebec government had voted in favour of the Victoria Charter. I think that it was flexible enough to allow for the evolution of our country. I will quote, for instance, the Quebec City newspaper *Le Soleil* in its edition of June 23, 1971, in which the editorialist concluded as follows: "The acceptance by the provinces of this charter would enable us to repatriate our constitution and it is the interest of Quebec, like all other provinces, and to a certain degree, more than the other provinces, that the constitutional charter become a new step toward the affirmation of our national identity and of the two cultures on which it is founded." Mr. Speaker, that statement by the editorialist of the newspaper *Le Soleil* in 1971 reflected accurately the view taken by a good number of Quebecers of the Victoria conference. Again I regret that the government of Quebec was not at that time more broad-minded and did not give its support to those negotiations.

With respect to regional development, the hon. member for Egmont made very interesting comments and I am convinced that they represent the concerns of an important part of the people. However, I do not think it is necessary to amend the constitution to get working on that issue. It is high time for the government to have a real regional economic development policy truly adapted to the needs of all regions. It is also high time we have a real policy to give help to small and medium-sized businesses. Of course, a statement of intent in a constitution does represent some guarantees, but it does not represent any, for instance, for the Quebec dairy producers, the shoe industry in the riding of Portneuf which is having a hard time of it, but a real policy for the small and medium enterprises would surely reassure them.

A policy to protect our industry would give relative protection to our markets in the face of progressively obtruding imports. I would like to touch upon one last point: I regret that the proposal of the hon. member for Egmont is not more complete. I should have liked him to invite the government of Canada once again to resume the discussion on the patriation of the constitution, as soon as possible, and in another framework. At the time of the Victoria Charter, which is recalled here, several newspapers in Quebec pointed out the need for a broader forum for the constitutional discussions. After the November 15 election in Quebec of a party that wants to destroy the country, several editors took up once again in the newspapers the idea of broadening the constitutional debate. I feel we should attempt to remove it from the narrow compass of government heads alone, that is the Prime Minister of Canada and the premiers of the provinces, so far the only participants in the constitutional debate.

[Mr. Bussières.]

To my mind, the forum must be enlarged. The hon. member for Greenwood (Mr. Brewin) was saying a while ago that we seldom have occasion to discuss that topic in the House, and I think all parties sitting both in the House of Commons and in the provincial legislatures are interested in those negotiations and should participate in them. I also believe many other citizens would be eager to discuss those questions; the sooner we come to an agreement and patriate the constitution, the sooner we will the have the opportunity of proving to the people that the government of Canada is able to adapt to situations and problems.

As our Prime Minister said recently in Quebec City, the objective of the constitutional discussions is to give each level of government the powers it needs to achieve as best it can the well-being of the citizens. And I think this should be our objective, without getting caught in the trap which the member who rose before me referred to, that is to say taking away from the central government the powers which allow it to distribute the wealth which is unfortunately uneven throughout the country. I think that if we vigourously tackle the constitutional revision and allow as many Canadians as possible to participate in the discussions, we will be able to come to an agreement and to include article 7 of the Victoria Charter as well as the other items. By doing so, I think our constitution will meet the expectations of all Canadians in a more satisfactory manner.

● (1740)

[*English*]

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I should like to congratulate the hon. member for Egmont (Mr. MacDonald) on his support for regional economic development. Perhaps because I grew up, like him and with him, in Prince Edward Island, we both appreciate very much the need for regional economic development.

● (1750)

If there is any place in Canada which needs regional economic development, it is Prince Edward Island. However, that is one of the places which has been undergoing it, and while in general I think I am not entirely satisfied with the way regional economic development has been proceeding—and this is one of the mental caveats I would feel if I were supporting a motion of this kind—I nevertheless think that in that province the development plan has been reasonably successful, and of course, many years of the plan are still to come.

I suppose we are all a bit uneasy about the fact that no method which has been tried so far—at least none of which I am aware—in the area of regional economic development has proved to be entirely successful, but there are many problems in life like that which we cannot entirely solve, and I think it is important for us to go on trying to solve them and certainly to express in the Chamber our support for those great objectives.

My problem with the motion is not at all with respect to its subject matter. As mentioned by the hon. member for Greenwood (Mr. Brewin), my problem has to do with the end of the

motion. In his text the hon. member for Egmont says the following:

> Although the amending formula in this motion does not necessarily reflect either my personal or my party's position on an apropriate formula, unanimity among the eleven governments would be the most desirable—and effective—approach here.

I presume by that he means that on an over-all basis he would not adopt a formula such as this, and I see him nodding his agreement. In that case I wonder why he would adopt it in a matter of this kind.

As the hon. member for Battleford-Kindersley (Mr. McIsaac) has pointed out, there has not been general agreement among the provinces with respect to the desirable goal of regional economic expansion and equality of opportunity for everyone, and even if this were to be one case in which all the provinces could agree, I think the hon. member must realize that following a certain procedure in one case involving the constitution would establish some kind of precedent which it would be very hard not to follow in future times. It would certainly exert, if not a binding effect, at least a persuasive effect on what would happen subsequently.

There are two problems, as I see it, with the proposal here. The first is really an entirely novel proposal. I do not know why the hon. member chose to put it in this way, but he proposes that the Parliament of the United Kingdom not act until it has received a formal request from the legislatures and governments of the provinces. I just do not understand why the English parliament would proceed in that way. Surely it would be enough for this House to canvass the support which the provincial governments are giving, and for this House then to indicate, in the usual form of address to the Parliament of the United Kingdom, that it desires the act to be amended. Even if we were to go along with everything else in this, I cannot see any reason why we would adopt a procedure such as the hon. member suggests. It would depart entirely from the precedents. It would put the provinces in the position of dealing directly with the British parliament, which has never been the case.

The premier of Quebec some years ago tried to lobby—personally, I believe—the British parliament, and he simply was not heeded. This has been the unbroken tradition, and I do not see any reason why we would depart from that part of the procedure which we have adopted in the past.

The other aspect is with respect to whether unanimous consent should be required at all, whether that unanimous consent is expressed through this House or, as the hon. member for Egmont has suggested, whether it be expressed directly by the provinces to the British parliament. Should there even be a requirement of unanimous consent? Well, like the hon. member for Greenwood, I was not greatly enamoured of the original Fulton formula in which there was to be—

The Acting Speaker (Mr. Turner): Order, please. The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight o'clock p.m.

At 5.56 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHED PROGRAMS FINANCING ACT, 1977

MEASURE FOR MAKING CERTAIN FISCAL PAYMENTS AND OF ESTABLISHED PROGRAMS FINANCING CONTRIBUTIONS TO PROVINCES, ETC.

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-37, to provide for the making of certain fiscal payments and of established programs financing contributions to provinces, to provide for payments in respect of certain provincial taxes and fees, and to make consequential and related amendments, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. David MacDonald (Egmont): May I say, for the information of hon. members who may not have had the benefit of my comments before five o'clock, that I will offer some more now.

As I said when introducing my notice of motion at the start of private members' hour, there seemed to be some providence in discussing that motion with respect to the entrenching of an amendment to the BNA Act concerning regional disparities and the over-all debate we are having today on Bill C-37 on fiscal equalization. It is providential, perhaps for me particularly, that I have an opportunity this evening to deal more specifically with the substantial bill before us, substantial both in terms of the money that is being allocated here as well as in terms of the major program with which it deals. We are creating a structure within which the provinces and the federal government will have to live during the course of the next five years, dealing with a number of basic social programs in the area of health and education in particular and, in general advancing revenues for the maintenance of equitable social programs from coast to coast.

Hon. members have taken already some opportunities to deal with the basic background to this debate in terms of where we stand with regard to the federal system. Comments have already been made with respect to the shape of negotiations that have led up to the agreement reached last December and the approach of this government to federalism.

Certainly I agree with my colleague, the hon. member for Kingston and the Islands (Miss MacDonald), when she said this afternoon that the profile of combative federalism which has characterized the Prime Minister (Mr. Trudeau) and, I am sorry to say, the Minister of Finance (Mr. Macdonald), has not been helpful to the country, and while the Minister of

Finance waxed lyrical last Friday with respect to this agreement, certainly he was less than candid in his own performance in that situation, one which did not provide any leadership with respect to negotiation and reconciliation but one which was characterized far too often by unilateral approaches, ones that were in effect a kind of confrontation which our federal system can ill afford.

I suppose in a way the Minister of Finance, in this kind of "High Noon" approach that he has been adopting with provinces from time to time during his years in office, is not all that different from his leader. After all, from the outset to the time the Prime Minister assumed his position as justice minister in the Pearson government, he acquired an exciting reputation for himself by the way in which he was able to take on various premiers or other provincial officials and indicate what a clever fellow he was, how astutely he could argue nice constitutional points and, in effect, get one up, which I believe is the phrase, on various provincial governments. I cannot believe, and I doubt if many members honestly believe, that the exercise of one-upmanship will foster much by way of support for our federal system and for our willingness to understand and recognize each others differences, each others distinct advantages and sometimes liabilities. One would hope that at the very least, as a result of the election of the Parti Québécois last November, the Prime Minister has dropped that particular unpleasant characteristic.

I have more serious concerns about the Prime Minister's style and that of the Minister of Finance because it has become my firm belief that, during his time in office, the Prime Minister has exhibited on far too many occasions an out of date approach to the concept of how our federal system works. I know that the Prime Minister, if anything, has been regarded as a constitutional expert, that he published books, wrote articles, gave lectures, and was considered to be one of the more informed people with respect to the advantages of a federal system, particularly ours. But I think also we have to recognize the fact that much of the Prime Minister's formative experience took place in an altogether different situation, in an era prior to the 1960's when Quebec as one province stood in a much different relationship to the Canadian federation.

● (2010)

I think as well that there has come through clearly during the Prime Minister's time in office a rigidity of approach which has not been attentive to modern day needs and requirements either of the federal or provincial governments. The clinging to rigid, outworn concepts has not helped us, either in fiscal matters as are before us today or in more general matters as they pertain to Confederation.

In addition, I find the Prime Minister has a shocking lack of a sense of history and a sense of understanding of the nature of this country. Indeed the Prime Minister's approach to dealing with the Confederation issue has far too often been a kind of individualistic if not elitist approach. I suppose that is not surprising, given his background, but I wish he would stop imposing it upon the rest of us. It is terribly important, when viewing the situation in Quebec, in the Atlantic provinces, or in western Canada, to realize it is there not only in an individual sense but in a community sense. In dealing with that sense of community, its needs and its requirements, we will deal realistically with the shape of this Canadian federation.

As I said at the outset, Mr. Speaker, combining these with an attitude which registered federal-provincial relations on the profile of a winner's and loser's game will not help us to survive successfully in the twenty-first century. As I say, there are fundamental weaknesses in this government and its failure to understand the nature of modern federalism, and in particular the Canadian federation. I think some of them are reflected in the comments of the Minister of Finance on the measure before us today.

I want to quote two items in particular from the speech the minister made last Friday. As reported at page 3201 of *Hansard* for February 18 he said:

> We at the federal level believe that the national government must preserve enough fiscal resources to redistribute income to persons and regions, to stabilize the economy and to continue to help finance the services Canadians in all parts of the country need and deserve.

In some ways one could not take great issue with that statement, but one is hit particularly with the use of the verb "stabilize" and the phrase "stabilize the economy". I suppose in a way the minister let the cat out of the bag some months ago when preliminary discussion was taking place on these particular negotiations and the bill that is before us, with the suggestion that they had to put the cap on in terms of runaway expenses, shared-cost programs, and responsible expenditures, and that we did not want to see a situation that is perhaps in danger of occurring in some areas of runaway expenses that bore no relationship to the needs in the several regions of the country.

What concerns me, Mr. Speaker, is the lack of recognition that the services that are being provided across the country at the present time, in health, hospital care, and post secondary education, are not all the same. There exists in some instances the widest possible disparity. To fail to recognize that situation would be to fail to take into account some of the pressing problems that we have within our Confederation.

As reported at page 3202 of *Hansard* for Friday, February 18, the minister also said:

> This program assures all Canadians of a reasonable level of vital public services, without forcing them to pay much higher tax rates than the national average. It attempts to reduce as much as possible regional disparities throughout the country and it will continue to do so as an efficient means of preserving national unity.

Statements about not paying much higher taxes, or about attempts to reduce regional disparities, in a sense are a kind of halfhearted commitment to something that I thought the Prime Minister and his colleague had committed themselves to very fundamentally and fully. I will not repeat or trespass upon the patience of the House to put on record some of my remarks during private members' hour this afternoon. The rhetoric delivered by the Prime Minister on such occasions falls very far short of what the Minister of Finance was telling us about this bill on Friday last.

It seems that we are in a situation where, on occasion, the Prime Minister's rhetoric has been very clear in dealing basically and directly with regional inequality. But nine years after he assumed office there are still no clear goals. Perhaps what is worse there are no accepted or defined strategies with respect to closing the gap—the income gap, the opportunity gap, the employment gap—that exists between the several regions of this country, and between those who are poor and depressed and those who are more affluent. Measured by several criteria we can discover very quickly that in some instances the gap has actually grown.

The major weakness I find in the legislation we are discussing tonight are that it does not take into account disparity of income, unemployment, and opportunity, and it does not allow for the very real differences that exist in the cost of living.

Some hon. members may recall that last December, at the time of the conference between the Minister of Finance and the provincial governments, I asked the Prime Minister specifically about the related aspects of this particular discussion. As reported at page 1677 of *Hansard* for December 6, 1976, I put this question to the Prime Minister:

> Last June I questioned the Prime Minister about the possible negative effect of the proposed fiscal arrangement amendments on the have-not provinces. He assured this House then that the changes would prove advantageous to those provinces. In view of statements to the contrary by a number of provincial ministers can the Prime Minister now state definitely that these proposals will maintain the previous commitment to narrow the disparity in social services between provinces, and in particular take into account the increasing phenomenon of very high unemployment in these particular provinces?

The Prime Minister replied:

> Well, Mr. Speaker, on the last part of the question the proposals are not by themselves directly meant to deal with the unemployment problem. They have to do with social services, post-secondary education and medical and hospital care being part of the social services. The fact that some provinces object to them is not surprising. The provinces all come to Ottawa in the hope of getting a greater transfer of money or tax points. This is part of the routine of federal-provincial conferences. I told the House last year and I repeat now that these programs as they are being proposed, particularly the establishment of interim financing proposals, are meant to give the provinces a much greater degree of autonomy in the application of their programs and will still guarantee they will get the money necessary to fulfil those programs.

There were additional questions and answers which I will not put on the record again, Mr. Speaker, but the way in which they are presented gives a clear indication that the Prime Minister seems to fail to realize that in the kinds of major agreements being presented to the House today, and the transfer both of tax points and revenue, we are not dealing just with a "stabilization", to quote the Minister of Finance, of the present situation. If we are, surely we are condemning more than half the provinces of this country to being, in the common term, have-not provinces. I say that there is no attempt, either in the comments of the Prime Minister or perhaps more important, in the provisions of this legislation, to close the gap, or to deal effectively and directly with the problem that has plagued parts of this country since the time of Confederation.

I should like to quote from the report of the Royal Commission on Maritime Claims made in 1927 which had this to say:

> We are bound to keep in mind that the depressed condition of the Maritime provinces, the contraction there has been in the revenue from their natural resources, and the absence of large-scale commercial and industrial enterprises make the problem of provincial taxation for them a very serious one indeed.

That is not a quote from the Atlantic Provinces Economic Council or from the Atlantic provinces chambers of commerce during the past few months but, as I said, from the Royal Commission on Maritime Claims 50 years ago. It does not appear that the message has been heard.

Mr. Breau: Of course it has.

Mr. MacDonald (Egmont): My friend from New Brunswick will have an opportunity to explain in what way the measures before us are going to—

Mr. Breau: You people keep on speaking.

Mr. MacDonald (Egmont): There are all kinds of opportunity, Mr. Speaker, and I am surprised that the hon. member is so bashful. Perhaps he finds it difficult to defend the legislation or to explain it in terms of closing the disparity gap about which we are both concerned. He is concerned about the problem in New Brunswick, and I am concerned about the problem in Prince Edward Island. I am sure the hon. member does not intend to stabilize disparity. I think he wants to believe that if we are going to arrive at an equitable agreement covering the next five years, at the end of that time these particular programs will have assisted, not detracted from the single role we all have in mind, that of putting the provinces of the Atlantic area on an equitable footing with the rest of the country. If the hon. member wants to speak on that and support that concept, I will give him my wholehearted backing.

● (2020)

To point out the difficulties which the federal government seems to have in perception, let me quote from the report of another commission which did not sit quite so long ago as the Duncan commission in 1926. I quote part of the Rogers report of 1934, with respect to the Nova Scotia submission on dominion-provincial relations, as follows:

> The over-emphasis on money grants as a solatium for provincial grievances not only served to obscure the fundamental difficulties of the Maritime provinces within the federal system established by the BNA Act, 1867, but in its later development did much to disturb and vitiate the relations between the dominion and the provinces. In Ottawa it created an impression that disaffected provinces could always be bought off by a money payment. In Halifax and in other provincial capitals it suggested that the financial embarrassment of a province might be relieved by additional or increased subsidies from the dominion, secured as a result of a revival of old grievances or the formulation of new claims for financial aid. It is not intended to suggest that a revision of the financial arrangements of union was not necessary in 1869 or at later periods. This subject will be dealt with in due course on its own merits. It is important to observe, however, that the precedent created in 1869 gave a direction to the claims of Nova Scotia which had an unfortunate bearing on its relations with the dominion. It overstressed the importance of increased subsidies as a remedy for the economic difficulties of the province, and diverted attention from the more important task of securing an investigation and revision of those features of the federal constitution and of federal policy which have had a more important, though less obvious, effect on its economic position.

I have quoted part of the Rogers report of 1934 which reflected on the fact that subsidies or fiscal transfers in themselves are not enough and that we must make other,

major attempts to see that these provinces are put on a viable, resourceful footing of their own.

We see the situation in which, under equalization, we shall see transferred something like $2,195 million in 1976-77, whereas the Regional Development Incentives Act will be responsible for transferring less than $100 million. Indeed that is one substantial program which, according to the estimates tabled the other day, is to be reduced by some 10 per cent. That means, if one takes into account the over-all increase in expenditures, a reduction over-all between 15 per cent and 20 per cent.

It seems to me that the story of federal-provincial fiscal relations and arrangements is as tortuous as any you will find. As the Rogers report has pointed out, since 1869 various attempts have been made on the part of the federal government to make an equitable transfer between the various provinces, in order to assist the eastern provinces, particularly eastern regions which find it difficult to operate on an equal footing with the rest of the country.

Almost yearly one hears threats, complaints, and representations. One hears demands for new deals, threats to separate, and appeals to the imperial government. But there is one clear, consistent theme in all of this: it is that a number of provinces and regions have seldom received an equitable deal. Indeed, if I may use the example of Nova Scotia prior to Confederation, Nova Scotia had expenditures of $664,000. With the loss of customs and excise revenues to the federal government, it received total revenues of only $107,000.

The history of the maritime provinces in many instances is that of inadequate financing, while provinces which had the advantages of being centrally placed and able to formulate their own industrial base protected by tariffs were able to show budget surpluses. The Royal Commission on maritime Claims in 1926 concluded that the level of grants given the Maritimes before 1907 had not been just, and that even with the major fiscal adjustments of that year they were still based on an inadequate adjustment of what the dominion government should concede by way of grants.

The problem with which we must grapple, along with the complexities of this bill, is whether or not the arrangements which have been put before us and which were generally agreed to by the provinces in December hold out the danger of fundamentally increasing the sorts of disparities which exist now. When we look at the situation in the five eastern provinces specifically, and the swelling of the unemployment rate which has taken place in the past several months, we cannot be sanguine about this kind of proposed agreement and about the services which will be provided under this arrangement. We want to be sure that the formula and framework which is being presented here will not be so rigid as to prevent effective action for dealing with disparities of income, employment, or unforeseen developments which may affect either existing revenues or bring about, indeed, a shortfall of revenues, or excessive costs in certain programs of the poorer provinces.

The other thing which disturbs me, is that, despite the negotiations which have gone on for the better part of the past year, there is no clearly defined commitment in terms of the standard of service to be achieved, and there has been little consideration of the impact of particular services within areas of acute economic and social disparity.

As I said at the outset of my remarks, one of the difficulties we faced in the past was the government's adversary approach in the field of federal-provincial relations. This has not happened once, in isolation. This course has contributed to the growing misunderstanding between the various regions of the country. When we look at the present state of Confederation we cannot be comfortable or feel confident about what is happening. What bothers me more than anything is the fact that misconceptions, misunderstandings, confusion, yes, even anxiety, exist in several regions of the country with respect to other regions.

What has contributed to these misunderstandings? Surely it is the fact that on a number of occasions the government, in attempting to resolve its own particular position, has reinforced some of the fears, misunderstandings and anxieties which exist. We have had enough of the confrontationist approach to federal-provincial relations, enough of unilateral actions which can undermine the confidence of provinces and the people of those provinces not only in the federal government but in the federal system itself. We need, more than at any time in recent years, a clear understanding of what our basic needs and requirements are, not only in specific localities where we, as individuals live, but in a total sense. We need to know, all of us, the various needs and requirements of the various regions of this country.

In addition, we need some sense of each other's worth. We spend so much time lamenting and listening to the problems being experienced in other parts of the country that we forget that in this unique experiment, Canadian confederation, we have each of us contributed our own gifts in the formation of this unique national enterprise. It is terribly important for us to identify the virtues which the various regions and provinces of this country possess, and show how we can all reinforce one another, to make Confederation stronger.

I suppose, in the final analysis, the responsibility rests heavily on the members of this House. It rests on members on all sides of this chamber who must realize that, individually and collectively, we represent a wide spectrum of opinion and aspirations existing in this country today. If these cannot be clearly stated and understood in the course of the next few years, if we cannot have a more frank discussion than has been the case, especially prior to the introduction of the bill we are now discussing, we will not contribute much which is positive or worth while in any attempt to re-invigorate and renovate Confederation, a confederation which has served us well for the last 109 years. Certainly that confederation can serve us a great deal better if we know which weaknesses need to be dealt with in Canada and where the strengths are which can be enhanced.

Although the Minister of Finance is not present in the House this evening I hope he will take very much to heart the suggestions made by the Leader of the Opposition (Mr. Clark)

and the hon. member for Kingston and the Islands (Miss MacDonald) with respect to putting more than just discussions concerning major renovations and changes in federal-provincial matters before this Chamber, before such renovations and changes become a fait accompli. The government will be very much strengthened and improved by that kind of approach. Certainly the Canadian people will feel they have been much better served.

• (2030)

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I am very pleased to follow my good friend, the hon. member for Egmont (Mr. MacDonald). I have been very interested in this debate which primarily has been conducted by members of this party. It is too bad the government members are again sitting on their hands rather than participating in the debate on this very important legislation. We would like to know whether they are slavishly following the dictates of the cabinet with regard to this legislation. As is so often the case, again they are not voicing the perspective from their constituencies.

I was particularly proud of the way in which the Leader of the Opposition (Mr. Clark) initiated the debate on our behalf with respect to this legislation. In an incisive way he dealt with the context in which this legislation should be considered. He made observations with regard to the kind of Canada he would like to see when he becomes Prime Minister of this country.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: I was also very interested in the remarks of my colleague, the hon. member for Kingston and the Islands (Miss MacDonald). At this time, when there is a lot of interest in equality of the sexes and the promotion of women's rights in this country, it is significant that the hon. member for Kingston and the Islands should be the first woman to analyse and deal with a financial bill of this importance in the House of Commons. She is the first woman in Canadian history to make such a contribution on this kind of legislation.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: I want to point out to the members on the government side that we are interested in looking at this legislation in its proper context. We are attempting to develop a meaningful debate with regard to the future of the country. It is very easy for members opposite to rely on their leader, the Prime Minister (Mr. Trudeau), to enunciate whatever policies they may have. However, in view of the developments that have taken place over the past few months, it is important for all members, regardless of party, to stand in their places and express the kind of Canada they see and want, and the reasons why they think it is imperative that this country stay together as one unit rather than splitting in separate directions.

As far as this party is concerned, I am not in the position of having to be modest on this occasion. The Conservative party has made a great contribution to matters of national unity. I am proud to serve in this House with the right hon. member for Prince Albert (Mr. Diefenbaker). When he was prime minister of this country he led an administration which paid attention to the various regions. It attempted to come to terms with some of the regional disparities we faced as a matter of tradition after many under a Liberal regime.

The right hon. member was aided in that particular government by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). I recall very vividly some of the types of legislation and initiatives taken by that government. There were innovative and creative programs which dealt with regional matters in a new and challenging way.

It was a time when some of the hinterlands of this country were remembered and recognized by the central government. There were programs such as Roads to Resources, the ARDA legislation, and legislation with respect to Atlantic Canada. Regional equalization grants were given to Atlantic Canada. Initiatives were taken to bring some regional planning in terms of energy and power to Atlantic Canada. I recall the Atlantic Provinces Power Development Act.

Mr. McGrath: The Atlantic Development Board.

Mr. Hnatyshyn: My friend from St. John's East corrects me. Regional initiatives such as this were taken by that government which was truly concerned about equality of opportunity regardless of region. They were not only related to electoral gains or electoral prospects, which seem to be the only guidelines of the present government.

The government led by the right hon. member for Prince Albert was roundly criticized by spokesmen for the Liberal party. Its then leaders travelled across Ontario saying that the prime minister was giving everything to the west. Because some attention was being paid to regional disparities in an attempt to bring equal opportunity across this country, this was turned against the government in Ontario and Quebec.

A lot can be learned from the initiatives taken by that Conservative government. I can assure hon. members that with a Conservative government after the next election there will be a return to the proposition where all parts of this country are regarded in equal terms and all will receive reasonable attention.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: There is one thing that characterizes this government's approach to federal-provincial relations. As others of my colleagues have pointed out, there has been a spirit of confrontation. It is fair to say not one provincial government, regardless of political stripe, trust the national government at this time. The whole aura that surrounds federal-provincial meetings is one of confrontation, the adversary system. There is not one co-operative endeavour for the best interests of our national, provincial and regional areas.

I want to say something to the hon. member for Assiniboia (Mr. Goodale), who henceforth will be known as "one-term Goodale".

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: If he continues to interrupt, I may have to go my full 40 minutes. I know he wants to speak in this debate. I am sure he will have something important to say.

I want to deal with this legislation from the perspective of what consideration should be given to it and the kind of approach that should be taken with regard to federal-provincial relations. I am concerned about the situation that has developed in the province of Quebec. However, it is not a unique situation. Various regions of Canada, the outlying regions at least, have some grievances. As a westerner, I know that some of these grievances have been around almost since the time of Confederation.

All members of this House unanimously agree that the prospect of anything other than the continuation of a united Canada would be a disaster. Those who suggest otherwise on the basis of the separation of one part of Canada from the totality of Canada really misunderstand some of the difficulties which would follow such a separation. I am thinking of those who consider the prospect of carrying on under some common market arrangement among the different regions of Canada, but I do not think this is an easy solution or any solution at all to the problems of this country. Thinking in terms of a common market is not going to do anything to solve this fundamental problem.

● (2040)

There are different areas one could discuss by way of example to demonstrate that, despite talking in terms of some type of union between different areas, our problems will remain the same. If you talk, for instance, about the tariffs we might expect under this new union, if you talk in terms of common money, if you talk in terms of transportation, in all these areas separation, or a concept of union or co-operation under a common market concept, really does not solve any of the problems which would arise.

When I think in terms of tariffs, for example, and about the possibility of a common tariff policy being accepted by various regions in our country, I realize there is an ongoing difference of opinion. People in central Canada have traditionally been in support of high tariffs to give protection to the manufacturing industries. Consider textiles, for example. People in Atlantic Canada and western Canada tend to be free traders by basic preference.

Then we talk in terms of monetary policy. We know that massive unemployment now exists in the five eastern provinces and people in those provinces tend to think in terms of supporting an expansionary monetary policy in order to deal with this very real problem. But when you take the balance of people in Canada, support for expansionary monetary policy is not a priority item because people tend to be more concerned about the inflation and inflationary tendencies so these other parts of Canada tend to support a more restrictive monetary policy.

I cannot visualize how in any type of Canada separated by region there could be anything by way of improvement in the already unsatisfactory transportation system we now unfortunately have. The fact is, I don't see that we gain any advantage by separating. I don't think, if one looks at these matters rationally from this point of view, that there is any particular or any noticeable advantage to be achieved by separation. I think we have to remind ourselves of the particular advantages of remaining united and trying to work within the context of a united Canada to improve each and every part and eliminate each and every regional disparity in each and every region.

I must say, as a western Canadian, that the idea of some type of alienation toward central Canada has been known to exist. There have been a number of expressions of that. Fortunately the feeling of alienation has not developed to any large extent. It has not developed to the point of there being any substantial support for separation as such. But there has been that kind of feeling in western Canada, and there is a historical background to this which has extended over a period of years. The more recent example, I suppose, is the concern people in western Canada have felt about the whole energy question. It appears to them, at least, to be a case of confrontation by the federal authorities against the rights of western provinces to exercise control over their natural resources.

The people of western Canada have, of course, been traditionally concerned over such matters as freight rates. They are at present concerned very greatly by the fact that while a national policy of restraint and controls is apparently being imposed in all parts of Canada, those controls do not seem to affect the cost of agricultural equipment and farming supplies, costs of which continue to skyrocket. These are examples of some of the general topics of discontent one hears about in western Canada.

I suppose it would be fair to say there has been across western Canada a general, undefined feeling that government located in central Canada has legislated with respect to western Canada under some form of thinly concealed policy of colonialism. This feeling, possibly has some historical basis, probably all starting with the difficulties leading to the Riel rebellion in 1885 which was brought on by ignorance of western conditions and indifference to prairie aspirations.

Between the rebellion of 1885 and the First World War the West was far too busy coping with the substantial number of immigrants coming to that part of the country to pay any heed to the grievances it might have had. There was, during those years, a commercial real estate and construction boom financed by eastern money. This money flow seemed to be arbitrarily shut down about 1913 when writs of foreclosure began to replace loans, and eastern bankers were blamed for extracting their pound of flesh. It has been stated as a fact that branch managers in the West pleaded guiltless and blamed policy decisions on head offices, a circumstance which helped to solidify prairie antagonisms. At that point in time, as it came clearly evident to western Canadians that they were somehow a captive market of the tariff-protected eastern manufacturers while paying freight on everything imported from eastern Canada, westerners felt they were obliged also to pay freight on everything they sold. Successive disastrous crop failures and wheat price levels wrought havoc over a period of

years and historically the central government seemed either incapable or unwilling to answer these crises. The political manifestations of the West and dismay over the circumstances led to the creation of political movements such as the Progressive party, that splinter party over here, the CCF, which is now called the NDP, and the Social Credit party. The self-image that western Canadians have of themselves is that of a cow fed in the west, housed in the west, but milked in the east.

The western historian, James H. Gray, has said that it was an article of western faith that the fruits of western labour all went to enrich the Ottawa government, St. James Street, Bay Street, and the rapacious tariff-protected manufacturers of Ontario and Quebec.

● (2050)

I simply bring some of these historical considerations and feelings which one hears enunciated from time to time—and you will be glad to hear, Mr. Speaker, that there will be a happy ending—to the attention of the House to indicate that there is, and has been over a period of years, strong sentiment expressed by many westerners regarding their position within Confederation. While the list of generally held concerns on the part of western Canadians has been a long one, extending from the conviction that western Canada should have a higher proportion of seats in the Parliament of Canada to the feeling that legislation directed to the west has been characterized by a kind of handout legislation as opposed to more appropriate changes in taxation policy to stimulate economic growth and self-sufficiency, it is important that we understand the feeling of western Canadians in respect to regional disparity and the fact that those within western Canada are today not receiving the attention they should from the central government.

The fact of the matter is that, notwithstanding these statements, there has developed a very strong feeling in western Canada that, despite the fact that they consider they are not receiving or have not received fair treatment from the central government, the vast majority of western Canadians do support the concept of a united Canada and reject out of hand any concept of separation. I hope that we will continue to be able to have the people of western Canada support this particular position. I simply want to point out to my colleagues in this House who come from the province of Quebec that there is some sense within other parts of Canada that the needs and aspirations of these other parts of Canada have not in fact been met by the national government. However, let me tell these members, as a representative from western Canada, that I propose to do everything within my power to promote the concept of a United Canada, including a Quebec that receives fair and equitable treatment. I know that this feeling is shared by other representatives from western Canada, regardless of party.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: I want to deal, Mr. Speaker, with some of the specifics of Bill C-37. I think that this bill, when boiled down, amounts to an attempt by the federal government to reduce its expenditures in health and welfare and the equalization of regional disparities. Despite the statements of the Minister of Finance to the effect that this bill represents the ingenuity of Canadian federalism, the bill represents nothing more than the attempt of the government to unleash the burdens of health and education costs upon the provinces. This is the government's motivation in hurrying this bill before the House, and it was its motivation in starting the whole process of federal-provincial meetings which led to this bill.

Understanding this, we must ask ourselves why the provinces are so ready to accept this change in fiscal responsibilities which adds to their already substantial burden in the entire area of education, health and welfare? Quite frankly, it is not because of the minister's claim that it gives the provinces greater flexibility in budgetary planning, but rather that the premiers and provincial finance ministers sensed that they were dealing with a federal government determined to reduce its responsibilities in the area of social services, and that the federal government was going to be totally inflexible in doing so. In short, the provinces understood that the revenue-sharing proposals of the federal government were the best they were going to get.

For the minister to argue that this bill is not going to disrupt the quality of social services across the country is to ignore the statements of the premiers upon leaving the federal-provincial first ministers' conference last December. Premier Blakeney of Saskatchewan, for example, predicted a revenue shortfall for the province of Saskatchewan because of this revenue sharing agreement, and said that taxes will have to be raised in Saskatchewan in order not to cut back services. Premier Bennett of British Columbia, according to an article in the Ottawa *Citizen*, said that although he will not increase provincial taxes in 1977, there will be a reduction in certain services. Indeed the key words in this bill are "revenue sharing". No longer is the government talking about "cost sharing"; rather it is talking about changes in its bookkeeping practices so the huge expenditures that are foreseen over the next five years in health care costs, for example, will show up on provincial ledgers instead of on its own.

This bill in the simplest terms represents a "take it or leave it" offer to the provinces and, as we have seen, the provinces, seeing nothing more equitable or sensitive to their needs on the horizon, took it. This "take it or leave it" aspect of the bill which the provinces were faced with also describes the situation that parliament, and in particular the opposition, finds itself in with respect to this legislation. This has been dealt with very adequately by the Leader of the Opposition and the hon. member for Kingston and the Islands.

The leader of the New Democratic Party, in a rather peculiar speech last Friday, said that the official opposition was supporting this bill and was doing so because of some perverse desire to increase the financial difficulties of the poorest regions and provinces of Canada. This criticism, besides being unjustified and unfair, fails to appreciate the difficulty we in the opposition are faced with every time this kind of legislation, representing the result of months of feder-

al-provincial negotiation, is presented in this House. One wonders what possessed the leader of the NDP to come to the conclusion that he did. Since his party's popularity remains at 16 per cent, one wonders why he spends time flailing away in his speeches at the Conservative party instead of dealing with the merits of the bill or its shortcomings, as he sees them.

Like the provinces in so many cases when dealing with this particularly parsimonious government, we too in the opposition are faced with a "take it or leave it" proposition. To accept this bill is to accept that which we feel is far from perfect, and moreover that which we, if we were in the government, would never force the provinces to accept. But to oppose it unconditionally would leave us in a similarly tenuous position, for quite obviously, this bill represents a development in Canadian politics and in the Canadian constitutional system that has far-reaching consequences for the institution of parliament and parliament's relevance to the country.

My party's former leader, the hon. member for Halifax (Mr. Stanfield), said recently in Edmonton that the House of Commons is the only truly national forum in Canada, made up of citizens from all walks of life and regions in this vast country. Yet despite this the House of Commons has had little, if any, influence upon this bill or upon the entire constitutional debate that has gone on in the country, particularly since the present Prime Minister headed the government in 1968. I believe that this is one of the most important reasons for the failure of that particular debate which ended in the rejection of the Victoria charter, and it is why I feel that the Prime Minister's expressed desire to repatriate the constitution before an amending formula is adopted will similarly end in failure. Such far-reaching discussions cannot be carried on solely at the executive and bureaucratic level without any input from the ordinary representatives of the Canadian people in the House of Commons and in the provincial legislatures.

Professor Donald Smiley has called the process in which the Prime Minister, or the finance minister, or the minister of health and welfare, meet with their provincial counterparts and with senior bureaucrats "executive federalism".

● (2100)

Bill C-37 is another example of what amounts to federal-provincial diplomacy, with the House of Commons serving as little more than a rubber stamp to ratify what could be described as a treaty between foreign governments.

This whole process of executive federalism, of dealing with the constitutional system of the country at only the highest and, in most cases, the most remote levels of government, belittles the House of Commons, renders the opposition meaningless, and contributes to a sense of the high-level confrontations between political stars which heighten rather than reduce the centrifugal forces inherent in federal systems of government.

It is this point, the habit of the present government to play one region against another to its own advantage, that I want to discuss this evening. As a federal politician coming from western Canada I feel that I would be remiss in my duty to my constituents and to my colleagues here in the House of Commons if I were not to bring to the attention of the government, as I did, the feeling which does exist in western Canada with respect to the state of affairs we find in our national government.

[Mr. Hnatyshyn.]

It is very easy to dismiss this feeling of hostility as the manifestation of grievances against a remote government in Ottawa which has very little electoral support in the west. What one sees, however, is a turning of this grievance away from criticism of the Liberal government to a criticism of Confederation itself. As I have pointed out, up to this point the talk on western separatism has been shallow and confined to a few malcontents, but it is disturbing to a federal member of parliament and to a member of a party which stands for a strong and united Canada in which regional and cultural differences are enriched through contacts established across the entire country to witness the emotional response such separatist talk elicits in many people.

Politicians and academics tend to underestimate the value and power of symbols in the political culture of a country. Unfortunately for those who espouse the federalist ideal, the symbols which are associated with that ideal are in many regions of the country being weakened and attacked as irrelevant, or even harmful to the legitimate aspirations of the citizens in those particular regions.

It is difficult to fix blame for this because the problem is so complex and ambiguous, but surely the role of the federal government is not to exacerbate such feelings of discontent within Confederation because of its fiscal inflexibility, its stubborn refusal to amend policies which offend particular regions—such policies as transportation in the west, or perhaps cable television within the province of Quebec and elsewhere—and its attempt to dump on to the provinces, as my friend, the hon. member for Fundy-Royal (Mr. Fairweather), would say, the fiscal burden to provide for programs that it in previous years initiated.

As my party's leader pointed out in opening this debate this bill does not represent the real meaning of Confederation but rather the means by which our federal system is operated. But what is important in this bill is not so much the revenue-sharing agreement between the provinces and the federal government but the manner by which this bill was conceived—in bureaucratic isolation, imposed upon the provinces, and then presented as an accomplished fact to parliament for its cursory approval.

I want to joint in the statements made by my leader in opening this debate, and I urge upon the government during the remainder of its mandate to regard its federal-provincial relationships from a substantially different viewpoint than it has taken up to this time. Unless this happens we are going to suffer difficulties until the next election, but I can assure hon. members that after the next election a Conservative government will pay fair and reasonable attention to the regions of our country, to the betterment of the whole.

Some hon. Members: Hear, hear!

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, as have all hon. members of this House, I have been very interested over the course of the last several hours to listen to the important debate which has been taking place with respect to federal-provincial fiscal arrangements. I welcome this opportunity to say just a few words in the discussion this evening, partially at least in response to some of the rather provoking commentary which we have just heard from my friend, the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn). At the outset it might be useful to set the record straight. The water has been substantially muddied by what has been said in the last few moments.

Before the hon. member for Saskatoon-Biggar got into his substantive comments about the legislation and some of his concerns as a westerner, he began with a rather gratuitous and unnecessary preamble which, I am sorry to say, emphasized two rather familiar and unfortunate Conservative themes, divisiveness and confrontation. The hon. member spoke about divisiveness in Canada, and in the early part of his remarks he went back some 15 years in our history and made the general accusation that somehow the Liberal party had criticized the Diefenbaker administration for giving too much to western Canada. That allegation is rather nonsensical. In terms of regional disparity and alienation in western Canada those problems only grew worse during the years 1958 to 1962; they did not improve.

Some hon. Members: Oh, oh!

Mr. Goodale: In fact, despite the largest majority given to any prime minister, let alone a western prime minister, they did not improve. Western problems festered very much during those years. They received a lot of lip service, but precious little action.

After dwelling on that red herring, the previous speaker went on to make some comments about confrontation with the provinces. With regard to that matter I ask him to look particularly at his own province—which is mine as well—and look at the actions of the Blakeney provincial administration. That is getting pretty close to home for both of us. In relations with Saskatchewan I suggest that if there is confrontation in our federal-provincial dealings, it begins with Mr. Blakeney.

Some hon. Members: Oh, oh!

Mr. Goodale: Hon. members opposite laugh, but it is interesting to note that the Conservatives in Saskatchewan seem to approve of the Blakeney brand of politics. Let us consider the present provincial Conservative leader, Mr. Collver. He avoids confrontation, all right; he capitulates.

The potash controversy in Saskatchewan has been a very important subject to people there for many months. The provincial government proposes to nationalize that very important industry. The Conservative party there avoided confrontation with Mr. Blakeney's government; it did literally nothing in the legislature or outside the legislature to prevent the passage of legislation in the province of Saskatchewan which would, in effect, nationalize this particular resource industry in western Canada. The Tory formula for avoiding confrontation is capitulation, and I do not think anyone in this country would adopt that philosophy, let alone anyone from western Canada. So much for the hon. member's rather unworthy abuse heaped upon this administration! It simply cannot be supported by the facts.

If hon. members want to consider some real facts about western alienation and about the effective efforts which have been made and continue to be made to satisfy the legitime aspirations of westerners, I ask hon. members to think of an industry in western Canada which is fundamental to our way of life, fundamental to our economy and fundamental to our economic health. I refer to the grains industry of western Canada. It can be examined and seen as a useful, constructive, and positive example of what federalism in this country can achieve for a region such as western Canada.

• (2110)

As I say, nothing can be more fundamental to western aspirations and western well-being than a healthy and vibrant grains economy. You do not have to go back too far in the history of this country, only to the late 1960's, to find a period of time in western Canada when the grains economy was in real trouble, not in trouble because of any fault of the farmers in the west. They were doing what they do better than anyone else anywhere in the world, that is, to produce top quality grains and oil seeds. The problem was in marketing and in grain prices around the world. We found prices that were skidding steadily downward, and grain markets that were getting tighter and tighter. At that time the government of Canada began to respond with a series of important initiatives which have continued over the last six or seven years and which have led to a remarkable improvement in the health and the prospects for continued health for the grains industry in western Canada.

We can think, first of all, of such things as expanded credit facilities and long-term government guarantees for the Canadian Wheat Board to assist in the pursuit of new markets. We can think of such things, for example, as vigorous Canadian efforts to break into the world's barley markets where we had never seriously been before 1970. I would mention as well the annual commitment of $10 million toward a new market development fund to enhance our grain marketing opportunities.

New research facilities have been added through the Canada Department of Agriculture, a new crop science division at the University of Saskatchewan in Saskatoon, and a protein-oil-starch pilot plant in Saskatoon to help find new ways of processing our grains and oil seeds. We have seen also the development of a two-price wheat program. For 25 years the great clarion call of every prairie politician and every major western farm organization was a demand that the federal government implement a two-price program for western wheat. That program was in fact developed by the present minister responsible for the Canadian Wheat Board (Mr. Lang) and by this government, and for the past five years it

has been in place, functioning to the advantage of prairie grain producers.

I could mention as well the substantial increases in the level of available cash advances, and broader, more flexible repayment opportunities for producers. I could mention improvements in the timing of Canadian Wheat Board final payments and adjustment cheques; the implementation of the deferred cash ticket option on grain deliveries; the provision of the best available production and marketing information to farmers regularly and early each year well in advance of seeding.

There have been determined efforts, which have been largely successful, to remove the inequities in our system of domestic feed grains marketing to provide farmers with a freedom of choice and to allow our natural production advantages to prevail. We have seen the establishment of a separate marketing pool for malting barley, effective for the 1975-76 crop year; a new quota system; the block shipping system; and the producer election of the advisory committee to the Canadian Wheat Board which is now enshrined in the Canadian Wheat Board Act itself.

A poll has been carried out amongst rapeseed producers regarding their preferred method of rapeseed marketing, and now legislation is before the House to facilitate the voluntary pooling of producer returns from rapeseed sales to provide flexibility and again a freedom of choice.

We have seen the purchase of 6,000 grain hopper cars, with at least 2,000 more on order, to speed the movement of prairie grain to export positions. We have seen a boxcar repair program put into effect; the Mants report on boxcar allocation procedures; the appointment of port co-ordinators for Thunder Bay and Vancouver. Recently we've had the widely respected report of the Snavely Commission on the costs of transporting grain by rail, and soon the Hall Commission report on grain handling and transportation. That report is in its final stages of preparation after months of public hearings and careful deliberations which have established a solid base of credibility and trust for the commission's work.

I would also like to mention that after six years of determined, conscientious work we now have in place the Western Grains Stabilization Plan which commits millions of federal dollars annually to supporting the strength and stability of the western grains economy, a plan which even today is beginning to prove its substantial merit and value to individual grain producers and to the grains economy of western Canada generally, as we see, unfortunately, a weakening trend in world markets and prices, and at the same time costs of production continuing to increase. It is obvious that the Western Grains Stabilization Plan—a plan which was opposed and obstructed at every step by the gentlemen opposite—will, in the course of the next several months, establish clearly and categorically its unparalleled value to western Canadian grain producers.

I suggest that that is a rather impressive "check list" of accomplishments affecting the western Canadian grains industry, an industry which is fundamental to the west, and this tends to belie the kind of negative cynicism which unfortunately we hear expressed so often by the gentlemen across the way.

[Mr. Goodale.]

I should not leave the question of western alienation without reference to a major event which occurred about four years ago and which has yielded tangible results for the west since that time. I am thinking of the Western Economic Opportunities Conference held in Calgary in 1973.

Some hon. Members: Oh, oh!

Mr. Goodale: The gentlemen across the way do not like to recall that conference, just as they do not like to recall the list of achievements in the grains industry, because they know that their opposition to the items that have affected the grains industry and their skepticism and belittling of the Western Economic Opportunities Conference are not at all to their credit. It only establishes once again that cynicism and pessimism which have the effect, not only in the west but in other parts of the country, of contributing to national disunity and fueling the fires of separatism, of which they take political advantage whenever and wherever they can.

What has resulted from the Western Economic Opportunities Conference is, for example, our railway cost disclosure legislation, the response to another long-standing request of the provinces regarding more direct information from the railways about their costing factors. That legislation is now on our books, something that the gentlemen opposite forget only too easily. They also ingore the establishment of an important federal-provincial consultative institution known as the federal-provincial conference on western transportation involving all the ministers in western Canada with their federal counterpart and all the relevant officials who have been meeting constantly ever since the Western Economic Opportunities Conference to deal with western transportation concerns and to develop a consensus as to how they should be handled. I would mention also Bill C-33, which is on the order paper, dealing with the National Transportation Act, amendments proposed to eliminate largely the long-haul short-haul anomalies which westerners have complained about for so long. It also contains amendments dealing with maximum and minimum freight rates which can be charged by the railways, and provides a mechanism whereby the CTC can police more actively the freight rate tariffs filed by the railways. All of those were items on the table in Calgary in 1973 which the western premiers indicated they wanted rectified, and which are coming forward now for that kind of correction in Bill C-33.

We have seen as well such things as the highways strengthening program in western Canada, the Northlands Agreement, the iron and steel developmental agreement in Saskatchewan, and recognition of a larger provincial role to be played in financial institutions. As I said, hon. gentlemen across the way like to ignore the list.

Miss MacDonald: Mr. Speaker, I rise on a point of order. I wonder if it would be possible for the hon. member for Assiniboia (Mr. Goodale) to come into the twentieth century and to recognize that it is hon. members on this side of the House.

Some hon. Members: Hear, hear!

Mr. Goodale: I apologize to the hon. member who has just spoken. I would not want to miss or to ignore her presence in this House. Indeed, as I pointed out in an interjection earlier in the debate, I think her contribution and her speech on this bill earlier today far outshone the rather petty contribution offered by her leader. I think she is to be congratulated for that. It might be that I overlooked the fact that she was here this evening because, during the course of my remarks, she was sitting there rather politely and, I hope, listening, while members around her were making it difficult for anyone to realize she was present.

● (2120)

In any event, Mr. Speaker, to conclude may I point out that the reaction of the gentlemen across the way—

An hon. Member: There, you said it again.

Mr. Goodale: I am sorry, I mean "gentlemen." The hon. lady reacted in a much different way. The reaction of hon. members, with the exception of the hon. member for Kingston and the Islands (Miss MacDonald), this evening is unfortunately all too typical of the things which so sadly and tragically contribute to the disunity of this country. I was hoping that the hon. member for Saskatoon-Biggar would offer some change in that. He made some remarks of substance toward the end of his speech, but I regret that he began with such a negative and cynical preamble when his remarks could otherwise have been helpful to the House.

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to make a few comments on the bill, but first I should like to say that in my time in this House I have never witnessed twenty minutes of greater insecurity than has been exhibited by the hon. member for Assiniboia (Mr. Goodale).

I should like to speak about the bill in general terms. The specifics have been dealt with by others, most notably the hon. member for Kingston and the Islands (Miss MacDonald). The bill is really a fait accompli. We are debating something that we do not have much control over in this House other than to voice criticisms and concern. I should like to spend my time, as did the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn), talking about Canada—what I think we should look to in Canada, and do it in as honest and in as non-partisan a manner as I can.

The problems of this country that people outside this chamber are talking about are very important to all of us. I think it is high time the House of Commons dealt with the central problem, that is, Canada vis-à-vis Quebec.

As an example, Mr. Speaker, Quebec has said she will boycott a federal-provincial communications conference this month. This is disturbing to most Canadians. A writer and historian of some note, Mr. Bruce Hutchinson, has said that Canada has entered the most dangerous and decisive years of its life. I believe that to be true. My great fear is that separation will come about unless we are prepared to make concessions and compromises.

What can Canadians do? I suppose not too much individually, but collectively we can do a great deal. I firmly believe that the country still belongs to the people and not to the politicians. In fact the response from the rest of Canada will help determine how the people of Quebec will respond to the most important question in our history. As Canadians we can remain objective, cool of head and willing to explore all avenues open to us to have Quebec remain in Confederation. At the same time I think it can be a positive exercise because we can be taking the steps to form a new and even better country than we have had.

I think it should be clear that despite what the Prime Minister (Mr. Trudeau), editorialists, and others have said—and this is my opinion—the question of Quebec will be decided in that province and not in the rest of the country. The unfortunate part, for a person viewing the situation outside the province of Quebec, is that the Quebec premier is at centre stage at the present time. He has it all to himself to espouse his particular theories. Premier Levesque will certainly make very forceful arguments for leaving Confederation. In my opinion the problem is that at this time there is no federalist Quebecer with equal status to challenge his arguments. The federalist argument for Quebec staying within Canada can be made equally as strong as those of the premier, in my opinion. At the present time there is a vacuum in Quebec, however, and people are not making that argument. The provincial Liberals are a spent force; they are leaderless and, to a certain extent, are without direction. The other major party, the Union Nationale, has experienced a certain upsurge of popularity but I do not think that will continue because I believe the base for its support, especially among the young people, may be too narrow.

As Canadians we must all start talking to the people of Quebec and not to the elected government of Quebec. I feel if we are to survive as a nation we will have to maintain the country as we presently know it. Canada can only be viable if that "sea to sea" concept brought about by the Fathers of Confederation some 110 years ago is kept foremost in our minds. It is time to stop hoping that the problems will resolve themselves. We see a lot of that in various parts of the country—the idea that if we do not look they will just go away. All of us in Canada must decide very quickly where we stand on the whole question of the Quebec-Canada confrontation.

The desire of French Canada to protect its own culture and way of life is not very different from the desire of the prairie farmer and the maritime fisherman to protect their unique communities, nor is it different from the desire of Canada's native peoples to protect their land and cultures. All these groups are threatened by powerful centralizing forces of the Canadian economy and by the prejudices of the Canadians. We need more understanding on the part of all Canadians if we are to preserve a united Canada. But understanding alone will not be enough to solve this problem. Governments, both federal and provincial, must actively resist the concentration of power and wealth in the centre. Canadians in general must be

prepared to pay the cost in dollars and cents of a united country which sees itself from coast to coast as one Canada.

If we look at the problem from a positive point of view, which very few of us have done, the people of Quebec have presented to the rest of Canada, possibly without knowing it and certainly without meaning to, an opportunity to build a strong and more unified country.

There are some English-speaking Canadians, unfortunately a growing number, who view the bilingual nature of Canada not as a source of pride but as an annoying condition that somehow must be removed. They would welcome the departure of Quebec and the breakup of Canada. There are French speaking Canadians who have lost faith in the rest of Canada and urge separation. I believe that the majority of Canadians in both cultures have retained a spirit of good will toward their neighbours and have a desire to make Confederation work.

Some hon. Members: Hear, hear!

Mr. Murta: Those of us who share this belief must ask ourselves some simple questions. First, is there a risk of Canada's breaking up? Obviously, judging by what I and others have said, the answer is yes, there is a risk of Canada's breaking up.

● (2130)

Second, will a recognition of the fact that Canada is a country with two major languages help to unite the country? The answer is, hopefully, yes. I say hopefully, because at times there has not been much hope of this being the case. But we are looking to that fact to be a stronger uniting force. Along with the recognition of two languages and cultures must go the recognition of many other communities and ways of life.

Third, is the cost of this recognition in money and petty annoyances worth paying? This question is crucial, a question all Canadians must answer. Bilingual labels in supermarkets, signs in French at airports, and French television and radio involve no more than a very small percentage of our gross national product. Surely if we believe in Canada, this is a small cost to pay. Likewise, turning a box of cornflakes around in order to read the English is not too large a gesture to make for the unity of Canada.

But there is a larger cost, that being the recognition of the many disparities in Canada not only between the founding cultures, but throughout the country. I believe earlier attempts at unity failed because they ignored diversity in favour of a highly centralized national policy which used tariffs and railways as its chief instruments. This policy shaped a nation with an industrial heartland feeding on the raw materials of the regions of the country. The results, of course, were obvious—a concentration of jobs and people in a few large centres, a lack of processing and manufacturing in many of the resource regions of the country and, most important, a large group of people who did not enjoy the natural benefits which Confederation ought to bring.

This policy of inequality has contributed to the unhappiness in French Canada and also created great strains for the rest of Canada. In particular those living in the prairies, the maritimes and Northwest Territories feel aggrieved and not part of the action. People in these areas feel that Canada does not and never did make economic sense.

The truth is, Canada exists because the people of the country want it to exist, because it embraces values not found anywhere else in the world. It exists not because of economic realities, but despite those realities.

As we in the prairies see it, the bargain struck at Confederation was that tariffs set by the federal government would protect Canadian industries in central Canada against international competition. At the same time transportation policies formulated by the federal government would allow the regions, the west, northern Canada and the maritimes, to get their products outside, to be sold, and to get the manufactured goods they needed.

This bargain has never really worked. Power and wealth have concentrated in central Canada, while in the hinterland there has grown a feeling of injustice and inequity. Confederation was supposed to require everyone to make concessions and sacrifices in order to make the country succeed. Successive federal governments have followed the policy which says that those outside central Canada should suffer most.

Westerners continue to be alarmed by attempts to change Confederation. They want assurances, as do those living in the maritimes, that because they want to live and work in what they consider as special areas, or places, they will not be penalized for doing so.

The future of Canada will only be secured when all Canadians can be assured that the burdens and advantages of Canada will be shared equally. That is the central point to which we must address ourselves if we are concerned about our long-term future as a country.

I think that we, in this country, have reason to be optimistic. I say I think; I hope I am right. I hope we may be on the threshold of a new era of Canadian confederation, an era marked by greater awareness of provincial and regional needs and sensitivities, greater respect for the diversity of culture and heritage which characterizes the various parts of this country and, in the not too distant future, by a better balance as between the centre and periphery of the country. This is the concept for which we must strive, in both official languages, and all regions. We must be united in the knowledge that Canada is unique among the nations of the world and must be preserved. We must keep in mind that Canada is more, much more than just dollars and cents.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, let me begin by saying that I and, I think, other members of this House, were greatly moved by the speech which the hon. member for Lisgar (Mr. Murta) has just concluded. All of us agree with him when he says that if Canada means anything as a country, it is as a country which stretches from sea to sea, and that it is inconceivable that the country should be less than

that. Indeed, if any one part of Canada, including Quebec, were to leave Confederation, it is highly unlikely that the rest of Canada would continue to exist as a country.

We face tremendous problems, not the least of which is the question of language and culture. But we are not the only country facing that kind of difficulty. In virtually every other democratic country in which more than one language is spoken, the same kind of difficulty has arisen. I am sure hon. members know of the tremendous difficulties which have arisen in recent years in Belgium, where two languages are spoken. I am sure hon. members know that in Spain, which has been a country a lot longer than Canada, there are various regions; in one region, the Basque region, the people not only talk a different language but are sometimes prepared to fight violently for a separate state. Great Britain has been a united country for hundreds of years, but there is now talk of Scotland separating.

The difficulties we face are difficulties other countries have faced. If we are to survive as a country, as I believe we can and must, we shall have to address ourselves to those problems which have exacerbated the difficulties, the differences as between languages and cultures.

This is no time to be introducing a bill of the kind before us. We ought to examine the facts. What is the main fact? The bill we are considering can only exacerbate the differences between the provinces and the federal government, can only exacerbate the differences between the government of Quebec—no matter which party is in power—and the federal government, and by extension, the people of Canada as a whole. It is for that reason, as our leader indicated last Friday, that we in the New Democratic Party oppose this bill. That is why we express our surprise that the official opposition is going along with it, reluctantly but nevertheless supporting it. If every provincial government—Liberal, Conservative, NDP, Social Credit and Parti Québécois—expressed opposition to the federal government's proposals as embodied in this bill, we feel we ought to as well, and in fact will be voting against it.

● (2140)

We have been told by the government that this bill embodies the agreement reached between the provinces and the federal government. In fact it embodies an agreement imposed on the provinces by the federal government. The provincial governments oppose the major provisions of this bill. We challenge the government to table the transcript of the proceedings and discussions that took place between the federal government and the provincial governments at the first ministers' meeting. That would prove, as has been indicated by members of this party and the official opposition, and as government members know, that the provinces did not voluntarily agree to the proposals included in this bill.

This bill destroys important fundamental principles and rights which Canadians from one end of Canada to the other have had for almost 20 years. A basic foundation was available to all Canadians, regardless of the province in which they live, for post-secondary education. There was a basic provision for the payment of medical and hospital care. Under the old arrangement, Ottawa paid 50 per cent of the cost of post-secondary education, medical care, and hospital insurance.

Let me stop for a moment to give credit to the former Conservative prime minister of this country for the tremendously important role he played in establishing our hospital and medical insurance plans. Hon. members will recall that it was a Liberal government which brought in the first legislation for hospital insurance. However, that legislation required that more than 50 per cent of the provinces with more than 50 per cent of the people had to agree to the program before the federal government would participate in the 50/50 cost-sharing aspects of it. It was a Conservative government which in 1958 removed that requirement, permitting each province, when ready, to choose to enter the hospital insurance plan with the federal government paying half the cost.

Similarly, it was the Conservative government which appointed Mr. Justice Hall to look at the whole problem of medical insurance. It was his report which led to the implementation of a medical insurance plan whereby, as each province instituted a universal medical insurance plan, the federal government would pay 50 per cent of the cost. That was implemented by a Liberal government, but it was urged, if not forced, on that government by the Hall commission recommendation.

Under the provisions of those two plans, it did not much matter to Canadian citizens from the Atlantic to the Pacific, from the American border to the Arctic ocean where they lived. There were some advantages or disadvantages between provinces and territories depending on how the provincial share of each plan was financed. Essentially, however, the people of Canada no longer had to worry about the tremendous costs of medical and hospital care.

One need only look to the United States. It is not only the poor people there who suffer because they do not have our kind of medical or hospital insurance. People in the middle income bracket may have to use their entire income and be forced to sell their homes because they have hospital and medical bills in the thousands of dollars. That fear has disappeared for Canadians because of the medical and hospital insurance plans which we have.

That 50/50 cost-sharing, as well as the extra which the federal government has paid to the have-not provinces, will disappear under the provisions of this bill. As the cost goes up for hospital care, medical care and post-secondary education, and as the federal government reduces its share of the payments for these programs, as it will have the right to do under this and other legislation, the provinces will be faced with some very difficult, unpopular, and unpalatable choices.

The provinces will have to reduce the level of service they have been providing. Fewer young people will be able to attend our universities and community colleges. There will be less of a guarantee of payment for hospital care. People will not receive the same kind of service from their doctors. Either all that will happen or the provinces will have to increase their fees. University fees will have to be increased substantially. It will

be necessary to implement a deterrent fee for those entering hospital. It will be normal for people to have to pay a charge to see their doctor.

All these basic and fundamental rights which the citizens of Canada have had for the past 25 years will disappear to a large extent. They will be removed as a result of the thinking of the federal government which is embodied in this legislation. Because of what is happening, the provinces did not want to accept the deal which the federal government proposes and which they in fact accepted only because they had no alternative.

● (2150)

The provinces had no choice but to agree because the pressure of the dateline meant that in the absence of an agreement the federal government would be in a position to act unilaterally. We know this deal was accepted only reluctantly by the provinces. We believe the provinces were blackmailed by the federal government, that they were forced into it and that the arrangements will have a particularly bad effect on the disadvantaged provinces—including Manitoba, Saskatchewan, Prince Edward Island, Newfoundland and Quebec, the province about which we have heard so much.

Let me pause for a moment to say, again, that though we have heard so many speeches on the subject, so much good will expressed for the people of Quebec, when it comes to hard cash, that province along with the other six have-not provinces will, as a result of this agreement, in the next five years get substantially smaller payments than it would have received had the old agreement simply been extended. We believe this is a bad agreement. It should be opposed on the grounds that the people of Canada are entitled to a continuation of programs which guarantee them certain basic services, such as hospital insurance, medical insurance, and post-secondary education.

Along with post-secondary education, hospital insurance, and medical insurance, this bill deals with two other aspects of financial arrangements between the federal government and the provinces. It provides for equalization payments and for revenue-guarantees. Let us consider the revenue guarantee.

In 1971, when the federal government brought in tax reform, the share of new tax revenue accruing to the provinces was reduced. To make up for this, and to allow the provinces to make the necessary changes in their other sources of revenue to compensate, the federal government initiated the revenue guarantee program which was to last for five years (1972-1976). It agreed to pay to the provinces the shortfall between what they were currently receiving in income tax and what they would have been receiving prior to tax reform.

After the program was underway, the then minister of finance, John Turner, said he would consider continuing the guarantee program. This makes sense—particularly when you consider that by ending the straight 50-50 sharing of costs under the expensive health and post-secondary education programs, the federal government was shifting a potentially heavier burden onto the provinces.

[Mr. Orlikow.]

We know from the discussion which has taken place with regard to both the hospital and medical insurance plans that what the federal government proposes to pay for the next four years amounts to tens of millions of dollars less than it would have paid under the 50-50 cost-sharing program. We know already that the indexed federal payments, while rising in relation to the GNP and the growth in tax revenues, will not be large enough to make up 50 per cent of the cost of the programs. Surely if the provinces have to finance the risks of new programs, they should have the tax base available to them in 1971.

Then in April, 1976, the federal government announced that it was ending the revenue guarantee program and that, in addition, it was reducing the payments to the provinces for the last three years of the program—1974, 1975 and 1976. This meant that, to use 1976 as an example, the 10 provinces would be receiving not $1,600 million in payments, but only $900 million.

The provinces argued that, to make up for the end of the revenue guarantee, the federal government should transfer to the provinces four personal income tax points. A personal income tax point varies in value from province to province; in some, it is worth as little as $4 a head, in others it is as much as $10 a head.

The federal government offer eventually accepted was one personal income tax point and cash equivalent to another. This means, according to federal estimates, that the provinces will be receiving in 1977, $400 to $460 million, instead of the $900 million received under the revenue guarantee. Mr. Speaker, may I call it ten o'clock?

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Might I ask the acting government House leader what the business is for tomorrow?

Mr. Goodale: It would be our intention to continue debate on the subject matter presently before the House until the discussion can be concluded. If discussion on Bill C-37 continues for some considerable length of time tomorrow we would expect to move on to the legislation dealing with human rights and try to conclude that debate.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PUBLIC SERVICE—FREEZING OF PENSIONS OF MEMBERS OF ARMED FORCES AND MOUNTED POLICE UNTIL AGE 60—DENIAL OF PENSIONS TO CERTAIN WIDOWS—REQUEST FOR REPORT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Friday, November 19, 1976, as reported in *Hansard* on page 1186, I put a question to the President of the Treasury Board (Mr. Andras) relating to two issues which were unresolved when parliament considered and passed Bill C-52 during the last session. That was a bill which had to do with the many superannuation plans which came under the aegis of the federal government. The question I put to the minister speaks for itself, so I think I shall place it before the House again tonight:

In view of the fact that it is unfair to many retired RCMP and Armed Forces personnel to have their pensions frozen until age 60, will the minister consider this issue? Also, in view of the fact that it is unfair to the widows of many public servants, RCMP, Armed Forces and other personnel not to receive pensions at all because their marriages took place after the date the deceased husband was put on pension, will the minister consider this issue, and indeed, does he plan to make a report to the House on both these issues as soon as possible?

● (2200)

The President of the Treasury Board was very considerate in his reply. He took note of the two issues—indeed, he said he was already aware of them—and said he hoped within a reasonable time to be able to say something about them. I welcome his presence here tonight and I hope he will have a favourable response.

May I say a word with respect to the first issue, that of the indexing of the pensions of retired RCMP and Armed Forces personnel. When the indexing of pensions of federal employees was first brought in and fixed at age 60, it did not seem completely unreasonable to apply that age to these two groups as well. But later on an arrangement was made whereby some public servants could get the indexing of their pensions at age 55, and that being the case it seems to me that the position of retired RCMP and Armed Forces personnel has to be reconsidered. There are persons who complete their term of duty, who are retired at a time when it is difficult to pick up other employment, and to have their pensions frozen when pensions of other persons who work for the government are being escalated seems to me to be quite unfair.

We have been over the arguments many times. My concern tonight is not to take time to restate the arguments but to hear what the minister has to say.

The other point which I raised as a leftover from the last session has to do with the case of widows of all the various categories that I named where the marriage took place after the retired employee concerned went on the pension. I had something to say about this the other day during the debate on human rights when we were discussing equality between men and women. It seems to me that there is something basically unfair between widows when in the one case a widow gets the pension and in the other case she does not. Sometimes the marriage in the second case lasted longer than in the first case. Again there are arguments both ways, and we have been over them many times. My concern is that this unfairness be rectified.

I recognize, Mr. Speaker, that I am raising this issue at a time when there are some persons in the country, some agencies and newspapers, who are compaining against the indexing of public service pensions at all. I regard that as irresponsible. What is wrong today is not that only the pensions of some persons are indexed; what is wrong is that indexing of pensions has not been extended to everyone.

In my view the campaign against the indexing of public service pensions is just an attempt on the part of certain private employers and financial interests to fend off the day when they will have to do it too. I suggest that there is real merit in the statement made by Dr. Noel Hall in his report on railway pensions to the effect that unless private pension plans can meet this issue of keeping pension plans up to date with the cost of living, they will find that they do not fill the bill, and their place will have to be taken by a wider use of pensions, such as the Canada Pension Plan. However, we are not discussing that issue tonight—unless the minister wants to make a definitive announcement on it.

I should like to hear from the minister on the question of pensions of retired Armed Forces and RCMP personnel, from the time they retire until they reach age 60, and on the position of widows of the category that I have described.I thank the minister for being here tonight and I look forward eagerly to what he has to say.

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I am glad the hon. member has indicated his non-support for Mr. Colin Brown and people like him and their attitude toward indexed pensions. I did give some indication to the hon. member, as did my predecessor, that his views would be given full consideration. The situation is the same as it was when I replied in November.

As the hon. member knows, there is considerable interest in the whole question of indexed pensions. I stated in this House, I believe in December—and I confirm my statement—that I was interested in commissioning an independent actuarial analysis of the indexing of federal employee pension plans to test, check, and confirm the information. We now have to satisfy, I believe, the concerns being expressed by certain people, and I have to say that until we get that confirmation or the results of that and certain other studies which are under way related more to the private pension sector, namely, the studies being undertaken by the Department of Finance and the Department of National Health and Welfare, it is not our intention to make moves, at least for a few months.

With regard to the situation particularly associated with the Armed Forces and the RCMP issue which the hon. member raised, the hon. member may recall that during consideration of the Statute Law, (Superannuation) Amendment Act early last year by the Joint Committee of the House of Commons and the Senate on Employer-Employee Relations in the Public Service a number of requests were made for changes and improvements in the survivor benefits payable under the Superannuation Acts to spouses of public servants and members of the Armed Forces and the RCMP.

There was an agreement at that time that these requests would be considered in light of the impending federal human rights legislation which will deal, among other things, with discrimination in pension plans. There has been some comment that the provision of spouses' benefits is regarded by some as constituting discrimination in favour of married employees over single employees and, as a result, it will be necessary to review all aspects of survivor benefits once the human rights legislation is in place.

Once again I have to seek the hon. member's patience. These concerns will be very seriously dealt with, but they will probably not result in changes until a review is completed, which I hope will not be too long in taking place.

Mr. Knowles (Winnipeg North Centre): I shall be asking the question again.

TRANSPORT—POSSIBILITY OF CONTINUED ASSISTANCE TO FLOUR SHIPMENTS THROUGH ATLANTIC PORTS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, a few weeks ago the Minister of Transport (Mr. Lang) went to Charlottetown, Prince Edward Island, and there conferred with the three premiers of the maritime provinces regarding transportation matters. It was that meeting, a meeting of what I regard as the other type of parliament, which brings us together this evening. I asked a question of the Minister of Transport upon his return here—and I was backed by my colleague, the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—as to whether there was any discussion about the "at and east" subsidies, those subsidies provided by section 272 of the Railway Act with regard to the movement of flour and grain.

This is a very substantial issue, as it affects the ports of Halifax, Saint John, and some of those on the St. Lawrence River system. It is a substantial matter as it affects the flour industry in Ontario and Quebec. I told the Minister of Transport that if Bill C-31,—a piece of inequity which, thank God, has not yet been presented—is presented, it will meet a storm of protest.

I asked the minister if this had been discussed with the three premiers and, if so, with what result. He skated around that issue. I suspect that the Charlottetown conference did not consider whether Bill C-31 would be presented to the parliament of Canada.

It is all fine and dandy for the Minister of Transport or any other minister to meet with the premiers in my part of the world, for they enjoy a feast of publicity and the fact that there is no debate whatsoever until one can get one's hands at the throats of these people in either parliament or in the legislatures in which they speak. For a day or so they enjoyed the fact that they had apparently made some important decisions, and we who are the representatives of Atlantic Canada were discomforted by the fact that we had no quick means of finding out actually what their estimable honours really achieved at that Charlottetown conference. We still do not know with regard to Bill C-31. We do not know whether the premiers of Nova Scotia and New Brunswick, who might have been thinking about the ports of Halifax and Saint John, put up any kind of fight at all on behalf of the "at and east" subsidies for the ports of Halifax and Saint John. I rather suspect that they did not. I do not know why they would not have, but nothing that I have read in the communiques from that conference suggests to me that the plight of the longshoremen, the freight handlers and the stevedors of Saint John and Halifax had very much to do with the conference which took place in Charlottetown, so I raise it here. I am sorry to be late with it, but I did operate under the rules of the House. I brought it before the minister as quickly as I could and I brought it up for debate in the House at this time as quickly as I could. In any event, Bill C-31 has not yet been presented to us for debate. When it is, the minister will know that there will be a very sharp debate on it indeed.

● (2210)

We have various subsidies in the field of transportation. Subsidies are provided by acts relating to movement of freight in Atlantic Canada. There are subsidies on the St. Lawrence Seaway, subsidies on the Welland Canal, subsidies on the grain movement on the prairies, subsidies involving the Crowsnest Pass rates, and undoubtedly there are other subsidies as well. So when the minister decided that something must be done about subsidies, he decided to tackle the poorest of the poor. This is what irks us in Atlantic Canada more than anything else. If he starts some bold, new march to some bold, new transportation horizons, why does he pick on the poorest part of Canada?

If the minister has the temerity to present Bill C-31 dealing specifically with the ports of Halifax, Saint John, and a few other ports before he tackles other larger subsidies in the Canadian transportation scene, he will find himself in a fight. We have done it twice now. First, the hon. member for Vegreville (Mr. Mazankowski) and myself alternately on the late show brought up the issue last year, and then with respect to Bill C-87 regarding the restraint program we knocked it out. If now he dares to bring it back a third time in this parliament, he will know that we have had it and it is going to be fought. Also, the Minister of Transport will find that it will not only be the members for Halifax fighting for the ports of Saint John and Halifax and certain ports in Ontario as well as the milling industry. He will find other members on this side of the House who will fight that battle as well. I think he would be well advised not to consider proceeding with Bill C-31 in this session of parliament.

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Mr. Speaker, as the hon. member for Halifax-East Hants (Mr. McCleave) mentioned, it is an important issue. The minister has received various representations from different associations in this regard, and he has also received many representations from hon. members on this side of the House.

I welcome the opportunity to reiterate the government's position on continued assistance to flour shipments throught Atlantic ports.

It is true that Bill C-31 proposes to repeal section 272 of the Railway Act, and thus eliminate a subsidy for export grain and flour via Atantic and east coast ports. This subsidy was largely an indirect payment to the milling industry because it froze the freight rates.

By repealing section 272 of the Railway Act and replacing the hidden subsidy with a direct payment to the milling industry we remove unnecessary distortions in the transportation network. Since we have an understanding with the milling industry on a flour assistance program which will come into effect once section 272 has been repealed, there is no reason to believe that Atlantic ports will suffer.

Moreover, Mr. Speaker, the whole question of grain transportation has been discussed with the Canadian Wheat Board, and officials from the Grains Group are now working with the board to consider all transportation options, including the possibility of the movement of grain from the bay ports to the Atlantic seaboard.

This is the essence of the minister's discussion with the Atlantic provinces last week. It is the government's intention to make the best use of transportation dollars, but as recognized by our action on the flour subsidy where regional objectives dictate a departure from a policy of cost effectiveness we will not hesitate to do so. But when a subsidy is paid, it should be made directly and where at all possible it should not distort other variables in the market place such as the transportation system.

Therefore, Mr. Speaker, we believe that eliminating Section 272 of the Railway Act works in the best interest of national policy, but such things as the flour subsidy and our efforts to assess different options for moving grain to Atlantic ports reflect our sensitivity to the developmental objectives of the Atlantic region, objectives, Mr. Speaker, this government stands firmly behind, as we have demonstrated in the past through many initiatives through DREE amongst other things, and we will continue to demonstrate our commitment in the future.

The Atlantic region, as the hon. member did mention, is different from the other regions in the country and requires special consideration. This difference has been embodied in the objectives and principles of our new national transportation policy—a policy development in which the Atlantic region was closely involved, particularly at the provincial level.

MANPOWER—CANADA WORKS PROGRAM—SUGGESTED CREATION OF SPECIAL FUND FOR RECYCLING OPERATION

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, it is a pleasure to follow two such distinguished questioners in the adjournment debate this evening, as well as the respondents.

On February 15 I directed a question to the Minister of Manpower and Immigration (Mr. Cullen) regarding some of the problems in the new Canada Works program. I feel that when this program was initiated the department should have allowed itself almost a year to rethink the things that had gone wrong with the Local Initiatives Program and to consider all the changes necessary when shifting from what was at one time an innovative scheme of local initiatives, to direct incentive job creation, which is something quite different. Time was not found for reconsideration, however; quite the opposite.

The second allocation to the Local Initiatives Program at the end of 1976 strained the resources of the department to the limit in order to spread around that allocation and get late starting programs off the ground. Almost at the same time there was a call for applications for the new Canada Works program. Yet it carries with it many of the shortcomings of the other program, it seems, in terms of short range developments, insistence on new projects, and hiring people who are unemployed. For many worthy programs this almost forces people into the anomalous position of firing the people they have in order to pick up a grant to hire additional people and thereby qualify for enough funding to keep them going.

It seems to me that in tackling unemployment the federal government should act in conjunction with the municipalities and regional districts, working closely at that level. They have the planners, engineers, foremen and personnel to provide ongoing guidance and supervision. If the federal government must get directly into job creation or direct incentive, it should work through the existing institutions such as the Armed Forces. I am sure everyone was pleased to see the recruiting drive for 5,000 personnel for the Armed Forces. I am sure those jobs can be created far more cheaply than through the Canada Works program or LIP. It is better to put the money into such things as scientific and medical reseach, or even public works, prone as they are to the old misuse of patronage.

● (2220)

The Post Office in the town of Lumby, in my constituency, is a disgrace. We could have embarked on a rebuilding project this winter, and thereby relieved some unemployment. That would have been a worth-while project.

If all this is not sufficient, let me suggest a couple of important areas in which the government could act. One is recycling, the other pollution control. Many jobs could be created in these areas, to good effect, if only the government allowed those jobs to be long-range ones, and if every five or six months it was not necessary to let people go in order to begin new projects. It is difficult to sustain recycling. Private industry has not seemed to come to grips with the question, and it is too big a question for municipal governments to deal with. There are not industries in place which can use the products of recycling. Therefore that is another area in which the federal government could be legitimately involved in job creation.

There is nothing romantic about this proposal. If implemented, it will not lead to pictures being taken of people handing out cheques every time some glamorous new project is begun. But, if accepted, it will mean the development of a crucial program which will save limited resources in an era when the saving of resources has become highly important.

I am therefore asking the minister's representative this evening whether, with respect to Canada Works, the department would not consider working through the regional districts or municipal councils. We very much need a constitutional change which will give the municipal level of government a share of tax revenue and an almost sovereign power in disposing of it. Such revenues would have to be provided as of right, and not turned off or on at the whim of senior governments, particularly the federal government. Conscientious municipalities which plan for the long range are confused and often find their programs disrupted by free wheeling advertising which artificially raises hopes, as was the case in the advertising campaign conducted on behalf of Canada Works just one month or so ago.

[*Translation*]

Mr. Arthur Portelance (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, unfortunately I shall not have enough time to answer all the questions asked by the hon. member this evening. However, in answer to the question of the hon. member for Okanagan-Kootenay (Mr. Johnston), I would like to say that we should perhaps consider briefly the objectives of the Canada Works program. This program has been established to neutralize cyclical, seasonal and regional unemployment on a permanent basis and throughout the year. The projects must be sponsored essentially by registered and well established organizations, and they must meet the needs of the working force in the community; they should not force people out on the labour market nor impede private initiatives. Finally, and this is the main requirement, the proposed activities should not be dependent in any way on the community.

I am sure the hon. member will understand that to fight unemployment effectively, the persons hired for Canada Works projects should be unemployed. It would be very difficult to determine to what extent the unemployment rate could be lowered by hiring people for these projects who already work for the groups or organizations concerned. The reason is that we could not pretend these employees were about to lose their jobs. In other words, Mr. Speaker, if we were that flexible in our hiring practices, some would be prepared to wipe out the results we try to get through the Canada Works program by making use of the system.

Let us suppose that a sponsor fires employees so that they would be eligible for some Canada Works project as unemployed persons; nothing allows us to believe that once registered with the Canada Manpower Centre, they would necessarily be proposed for that project. When introducing applicants for a job, Canada Manpower Centres take into account the personality and the needs of everyone. In addition, they give priority to those eligible applicants who have been registered for a longer time.

Mr. Speaker, the hon. member also indicated that we should examine again the allocation granted to the riding of Okanagan-Kootenay, as was the case with Okanagan Boundary. Mr. Speaker, concerning the riding of Okanagan Boundary, I must say that officials have examined this case to determine whether it had been mistakenly excluded from ridings where projects were eligible for a subsidy to offset high equipment costs. It has since been confirmed that Okanagan Boundary did not meet the eligibility requirements. However, no money allotment has been reconsidered and we do not intend to do so for any riding, for I am convinced that these funds were allocated as fairly as possible, particularly within areas facing high unemployment rates.

Mr. Speaker, I am convinced of the merits of programs which, like the Canada Works Program, create new jobs in areas where they are most needed, because not only will these jobs lower the unemployment rate in these areas, but they will also promote the development of these areas through community betterment projects.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.28 p.m.

END OF VOLUME III